Simplified Prospectus

June 11, 2020

Alternative Mutual Funds

BMO PineBridge Preferred Securities TACTIC™ Fund
(the "Fund")

Offering the following classes of mutual fund units:

Class A
Class D
Class F
Class I

No securities regulatory authority has expressed an opinion about these securities. It is an offence to claim otherwise.

The Fund and the Units of the Fund offered under this simplified prospectus are not registered with the United States Securities and Exchange Commission and they are sold in the United States only in reliance on exemptions from registration.

PART A: GENERAL INFORMATION

Introduction

In this document, “we”, “us”, “our” and “Manager” refer to BMO Nesbitt Burns Inc.

We refer to the BMO PineBridge Preferred Securities TACTIC™ Fund as the “**Fund**”.

The Fund is a mutual fund established as a trust under the laws of the Province of Ontario and governed by the Amended and Restated Master Declaration of Trust dated as of December 7, 2018 (the “**Master Declaration of Trust**”).

The Fund was originally established as a closed-end investment trust (as DoubleLine Income Solutions Trust) (“**DoubleLine Fund**”) under the laws of Ontario. As of December 7, 2018 (the “**Effective Date**”), the Fund changed its name to “PineBridge Preferred Securities TACTIC™ Fund” and converted from a closed-end fund into a mutual fund (the “**Conversion**”). As of the Effective Date, DoubleLine Fund merged with PineBridge Investment Grade Preferred Securities Fund (“**PineBridge Fund**”) with the DoubleLine Fund being the continuing fund (the “**Merger**”).

The Fund is part of the Tactical Allocation Customized Thematic Investment Company (“**TACTIC™**”) fund platform, which platform provides for the issuance of customized investment solutions based on a set of timely and opportunistic investment themes (the Fund, together with the other investment funds offered under the TACTIC™ platform, collectively, the “**TACTIC™ Funds**”). The manager of the TACTIC™ Funds is BMO Nesbitt Burns Inc.

The Fund is a trust organized under the laws of Ontario. The Fund offers the different classes of units (the “**Units**”) specified on the front cover of this simplified prospectus.

References to “Class A Units” are to the Class A Units of the Fund.

References to “Class D Units” are to the Class D Units of the Fund.

References to “Class F Units” are to Class F Units of the Fund.

References to “Class I Units” are to Class I Units of the Fund.

The head office of the TACTIC™ Funds and the Manager is located at 100 King Street West, 8th Floor, Toronto, Ontario, M5X 1A1. The Manager is a corporation organized under the laws of Canada. PineBridge Investments LLC will act as portfolio manager (the “**Portfolio Manager**”) to the Fund.

In this simplified prospectus, references to “Investment Grade” in respect of a security mean a security, and in respect of an issuer mean an issuer, which, at the time of purchase, will have a rating of no less than: (i) BBB- by S&P; (ii) Baa3 by Moody’s; (iii) the equivalent rating by another “designated rating organization” as defined in National Instrument 81-102 – *Investment Funds* (“**NI 81-102**”); or (iv) if unrated, determined by the Portfolio Manager to be of comparable quality.

In this simplified prospectus, references to “**Total Assets**” of the Fund mean the aggregate fair value of the assets of the Fund as determined in accordance with the terms of the Master Declaration of Trust.

References to time are to local time in Toronto, Ontario.

This simplified prospectus contains selected important information to help you make an informed investment decision and understand your rights as an investor. It is divided into two parts. The first part, from pages 1 to 29, provides information about both the Fund and about mutual funds in general, while the second part, Part B, from pages 30 to 36, contains specific information about the Fund.

You will find more information about the Fund in the following documents:

- the annual information form of the Fund;
- the most recently filed fund facts of the Fund;
- the most recently filed annual financial statements of the Fund;
- any interim financial statements of the Fund filed after those annual financial statements;
- the most recently filed annual management report of fund performance of the Fund; and
- any interim management report of fund performance of the Fund filed after that annual management report of fund performance.

These documents are incorporated by reference into this simplified prospectus, which means that they legally form part of this simplified prospectus just as if they were printed as a part of this simplified prospectus. You can get a copy of these documents, at your request, and at no cost, by calling toll free to 1-866-864-7760 (English) or 1-866-529-0017 (French) or from your dealer.

These documents are also available on our website at www.bmonotes.com or by contacting us by email at admin.dealerservices@bmonb.com. You will also find copies of them, and other information about the Fund, on the internet at www.sedar.com.

The Fund Offered Under this Simplified Prospectus

The Fund has been created to invest in a global portfolio (the "**Portfolio**") of securities comprised primarily of Investment Grade preferred securities.

The Fund will employ leverage including through the use of derivatives, in accordance with applicable Canadian securities legislation.

The maximum permitted aggregate exposure of the Fund to cash borrowing, short selling and specified derivatives transactions is 300% of the Fund's net asset value calculated in accordance with the requirements of NI 81-102 applicable to alternative mutual funds. If at any time the aggregate exposure of the Fund exceeds 300% of its net asset value, the Fund will, as soon as practicable thereafter, take steps to reduce such aggregate exposure to 300% of its net asset value or less. See Part B section of this simplified prospectus under the heading *Investment Strategies* for the maximum amount of leverage the Fund is currently expected to employ.

The Fund is offering the following Classes of Units: Class A Units, Class D Units, Class F Units and Class I Units.

What is a Mutual Fund, and What are the Risks of Investing in a Mutual Fund?

A mutual fund is a pool of money contributed by people with similar investment goals which is invested in a portfolio of securities on their behalf by professional managers or pursuant to a prescribed investment strategy. Investors in a mutual fund share the fund's income, expenses, gains and losses in proportion to their interest in the fund.

Mutual funds own different types of investments, depending upon their investment objectives, including stocks and cash. The value of these investments changes from day to day, reflecting changes in interest rates, economic conditions and market and company news. As a result, the value of a mutual fund's units may go up and down, and the value of your investment in a mutual fund may be more or less when you redeem it than when you purchased it.

Mutual funds are neither guaranteed nor insured: Your investment in a mutual fund is not guaranteed by us or by anyone else. Unlike bank accounts or GICs, mutual fund securities are not covered by the Canada Deposit Insurance Corporation, any other government deposit insurer, or any other entity.

Like other securities, the value of a unit of a mutual fund can decrease at any time for a number of reasons including but not limited to the following:

General Risks Relating to an Investment in the Fund

No Assurance of Achieving Investment Objectives

There is no assurance that the Fund will be able to achieve its investment objectives. There is no assurance that the Portfolio will earn any return. No assurance can be given that the net asset value ("**NAV**") per Unit will be preserved or appreciate.

Fluctuations in NAV and NAV per Unit

The NAV per Unit of the Fund will vary according to, among other things, the value of the securities held by the Fund. The Manager and the Fund have no control over the factors that affect the value of the securities held by the Fund, including factors that affect the equity and bond markets generally such as general economic and political conditions, and fluctuations in interest rates.

Risks of Investing in Preferred Securities

The Fund will be subject to the risks inherent in investment in preferred securities, including the risk that the financial condition of the issuers in which the Fund invests may become impaired or that the general condition of the stock markets may deteriorate. Preferred securities are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in, and perceptions of, the issuers change.

There are specific risks associated with investing in preferred securities, including:

(a) *Limited voting rights*. Generally, preferred security holders (such as the Fund) have no voting rights with respect to the issuing company unless preferred dividends have been in arrears for a specified number of periods, at which time the preferred security holders may elect a number of directors to the issuer's board. Generally, once all the arrearages have been paid, the preferred security holders no longer have voting rights. In the case of certain preferred securities issued by trusts or special purpose entities, holders generally have no voting rights except if a declaration of default occurs and is continuing. In such an event, preferred security holders generally would have the right to appoint and authorize a trustee to enforce the trust or special purpose entity's rights as a creditor under the agreement with its operating company.

(b) *Special redemption rights*. In certain circumstances, an issuer of preferred securities may redeem the securities prior to their stated maturity date. For instance, for certain types of preferred securities, a redemption may be triggered by a change in federal income tax or securities laws or regulatory or major corporate action. A redemption by the issuer may negatively impact the return of the security held by the Fund.

(c) *Payment deferral*. Generally, preferred securities may be subject to provisions that allow an issuer, under certain conditions, to skip ("non-cumulative" preferred securities) or defer ("cumulative" preferred securities) distributions. Non-cumulative preferred securities can defer distributions indefinitely. Cumulative preferred securities typically contain provisions that allow an issuer, at its discretion, to defer distribution payments for up to 10 years. If the Fund owns a preferred security that is deferring its distribution, the Fund may be required to report income for tax purposes while it is not receiving any corresponding cash.

(d) *Subordination*. Preferred securities are subordinated to bonds and other debt instruments in a company's capital structure and therefore are subject to greater credit risk than those debt instruments.

(e) *Liquidity*. Preferred securities may be substantially less liquid than many other securities, such as U.S. government securities or common shares.

(f) *Regulatory risk*. Issuers of preferred securities may be in industries that are heavily regulated and that may receive government funding. The value of preferred securities issued by these companies may be affected by changes in government policy, such as increased regulation, ownership restrictions, deregulation or reduced government funding.

(g) *New Types of Securities*. From time to time, preferred securities, including hybrid securities, have been, and may in the future be, offered having features other than those described herein. The Fund reserves the right to invest in these securities if the Portfolio Manager believes that doing so would be consistent with the Fund's investment objectives. Since the market for these instruments would be new, the Fund may have difficulty disposing of them at a suitable price and time. In addition to limited liquidity, these instruments may present other risks, such as high price volatility.

(h) *Conversion of Preferred Securities*. Holders of preferred securities (such as the Fund) could become holders of common shares of issuers at a time when such issuer's financial condition is deteriorating or when it has become insolvent or bankrupt or resolved to be wound-up or has been ordered wound-up or liquidated. There can be no guarantee that the common shares issued in such circumstances will pay a dividend, appreciate, or that there will be a liquid market for such common shares. There can be no guarantee that in such circumstances payment of interest or other distributions on the preferred securities will resume. As a result, in such circumstances, were the Fund to become a holder of common shares, it could receive substantially less than as a holder of preferred securities that have not been exchanged for common shares, which in turn could affect the ability of the Fund to meet its investment objectives, including paying targeted monthly distributions. There can be no guarantee that any triggering events which require a holder of preferred securities (such as the Fund) to subscribe for common shares of such issuers will not change over time or will not vary from one security to another.

(i) *Contingent Convertible Preferred Securities*. Contingent convertible or contingent capital preferred securities are a form of convertible securities that convert into equity or have their principal written down upon the occurrence of certain trigger events. One type of contingent preferred convertible security is designed to absorb losses, where the value of the security may be adjusted downward to below its original par value or written off entirely under certain circumstances. For instance, if an issuer's capital levels fall below a specified threshold, the value of the security may be reduced in whole or in part. The reduction of the security's par value may occur automatically. Automatic reductions can also result in a reduced income rate if the dividend or interest payment associated with the security is based on the security's par value. Such securities may provide for circumstances under which the value of the security may be adjusted back up to par. Other contingent preferred convertible securities provide for a mandatory conversion of the security into common shares of the issuer under certain circumstances. A mandatory conversion might occur as a result of the issuer's failure to maintain a minimum capital. Since the common shares of the issuer may not pay a dividend, investors in such instruments could experience reduced yields, or no yields at all, and conversion would deepen the subordination of the investor, effectively worsening the investor's standing in the case of an issuer's insolvency. An automatic write-down or conversion event with respect to a contingent preferred convertible security will typically be triggered by a reduction in the issuer's capital level, but may also be triggered by regulatory actions, such as a change in regulatory capital requirements, or by other factors.

Portfolio Concentration Risk

The Fund will at all times invest in the portfolio securities selected in accordance with the Fund's investment strategy. The Portfolio may be concentrated in the financial services sector. A financial services company is one that is primarily involved in banking, mortgage finance, consumer finance, specialized finance, investment banking and brokerage, asset management and custody, corporate lending, insurance or financial investments. This makes the Fund more susceptible to adverse economic or regulatory occurrences affecting this sector. Concentration of investments in financial services companies include the following risks:

(a) financial services companies may suffer a setback if regulators change the rules under which they operate;

(b) unstable interest rates can have a disproportionate effect on the financial services sector;

(c) financial services companies whose securities the Fund may purchase may themselves have concentrated portfolios, such as a high level of loans to real estate developers, which makes them vulnerable to economic conditions that affect that sector;

(d) financial services companies have been affected by increased competition, which could adversely affect the profitability or viability of such companies; and

(e) financial services companies have been significantly and negatively affected by the downturn in the subprime mortgage lending markets and the resulting impact on the world's economies.

The portfolio securities may not be diversified by country or industry. The NAV of the Fund may be more volatile than the net asset value of a more broadly diversified portfolio and may fluctuate substantially over short periods of time. This may have a negative effect on the value of the Units and the Fund's capital appreciation objectives.

Risk of Loss

An investment in the Fund is not guaranteed by any entity. Unlike bank accounts or guaranteed investment certificates, an investment in the Fund is not covered by the Canada Deposit Insurance Corporation or any other government deposit insurer.

Exchange Rate Risk

Changes in foreign currency exchange rates may affect the NAV of the Units of the Fund that holds investments denominated in currencies other than the Canadian dollar. Generally, substantially all of the Fund's portfolio's foreign currency exposure will be hedged back to the Canadian dollar. The effectiveness of the Portfolio Manager's currency hedging strategy will, in general, be affected by the volatility of the Canadian dollar relative to the other relevant currencies. Increased volatility will generally reduce the effectiveness of the currency hedging strategy. The effectiveness of the Portfolio Manager's currency hedging strategy may also be affected by any significant difference between Canadian dollar interest rates and other relevant interest rates.

Tax Risk

It is anticipated that the Fund will qualify, or will be deemed to qualify, at all times as a "mutual fund trust" within the meaning of the *Income Tax Act* (Canada) (the "**Tax Act**"). For the Fund to qualify as a "mutual fund trust", it must comply on a continuous basis with certain requirements relating to the qualification of its Units for distribution to the public, the number of unitholders of a particular class of Units of the Fund ("**Unitholders**") and the dispersal of ownership of its Units.

If the Fund were to cease to qualify as a mutual fund trust, the income tax considerations as described under "Income Tax Considerations" would in some respects be materially and adversely different.

The tax treatment of gains and losses realized by the Fund will depend on whether such gains or losses are treated as being on income or capital account, as described in this paragraph. In determining its income for tax purposes, the Fund treats gains or losses realized on the disposition of portfolio securities held by it as capital gains and losses. In general, gains and losses realized by the Fund from derivative transactions will be on income account except where such derivatives are used to hedge portfolio securities held on capital account provided there is sufficient linkage, subject to the DFA Rules discussed below. Further, the Fund takes the position that gains or losses in respect of foreign currency hedges entered into in respect of amounts invested in its portfolio constitute capital gains and capital losses to the Fund if the portfolio securities are capital property to the Fund and there is sufficient linkage. Designations with respect to the Fund's income and capital gains will be made and reported to Unitholders on the foregoing basis. The Canada Revenue Agency's ("**CRA**") practice is not to grant advance income tax rulings on the characterization of items as capital gains or income and no advance income tax ruling has been requested or obtained. If the foregoing dispositions or transactions of the Fund are determined not to be on capital account (whether because of the DFA Rules discussed below or otherwise), the net income of the Fund for tax purposes and the taxable component of distributions to its Unitholders could increase. Any such redetermination by the CRA may result in the Fund being liable for unremitted withholding taxes on prior distributions made to its Unitholders who were not resident in Canada for purposes of the Tax Act at the time of the distribution. Such potential liability may reduce the NAV and NAV per Unit of the Fund.

The Tax Act contains rules (the "**DFA Rules**") that target certain financial arrangements (described in the DFA Rules as "derivative forward agreements") that seek to deliver a return based on an "underlying interest" (other than certain excluded underlying interests) for purposes of the DFA Rules. The DFA Rules are broad in scope and could apply to other agreements or transactions. If the DFA Rules were to apply in respect of any derivatives utilized by the Fund, gains realized in respect of the property underlying such derivatives could be treated as ordinary income rather than capital gains.

Pursuant to rules in the Tax Act, if the Fund experiences a "loss restriction event" it (i) will be deemed to have a year-end for tax purposes (which would result in an unscheduled distribution of the Fund's net income and net realized capital gains, if any, at such time to Unitholders so that the Fund is not liable for income tax on such amounts under Part I of the Tax Act), and (ii) will become subject to the loss restriction rules generally applicable to a corporation that experiences an acquisition of control, including a deemed realization of any unrealized capital losses and restrictions on its ability to carry forward losses. Generally, the Fund will be subject to a loss restriction event if a Unitholder becomes a "majority-interest beneficiary", or a group of persons becomes a "majority-interest group of beneficiaries", of the Fund, as those terms are defined in the affiliated persons rules contained in the Tax Act, with certain modifications. Generally, a majority-interest beneficiary of the Fund is a beneficiary in the income or capital, as the case may be, of the Fund whose beneficial interests, together with the beneficial interests of persons and partnerships with whom the beneficiary is affiliated, have a fair market value that is greater than 50% of the fair market value of all the interests in the income or capital, as the case may be, of the Fund. However, no person or group of persons should become a majority-interest beneficiary or majority-interest group of beneficiaries of the Fund as long as the Fund qualifies as an "investment fund" under the Tax Act by satisfying certain investment diversification and other conditions.

Changes in the interpretation and administration of the 5% federal goods and services tax ("**GST**") and federal harmonized sales tax (of up to 15%) applicable in Ontario, Nova Scotia, New Brunswick, Newfoundland and Labrador and Prince Edward Island ("**HST**") may result in the Fund being required to pay increased amounts of GST or HST.

The Fund invests in foreign securities. Many foreign countries preserve their right under domestic tax laws and applicable tax conventions with respect to taxes on income and on capital ("**Tax Treaties**") to impose tax on dividends or distributions paid or credited to persons who are not resident in such countries. Investments in foreign securities may subject the Fund to foreign taxes on dividends or distributions paid or credited to them or any gains realized on the disposition of such securities. Any foreign taxes incurred by the Fund will generally reduce the value of its portfolio. To the extent that such foreign tax paid by the Fund exceeds 15% of the amount included in the Fund's income from such investments, such excess may generally be deducted by the Fund in computing its net income for the purposes of the Tax Act. To the extent that foreign tax paid does not exceed 15% of the amount included in the Fund's income from such investments and has not been deducted in computing the Fund's income and the Fund designates its income from a foreign source in respect of a Unitholder, the Unitholder will, for the purposes of computing its foreign tax credits, be entitled to treat the Unitholder's proportionate share of foreign taxes paid by the Fund in respect of such income as foreign taxes paid by the Unitholder. The availability of foreign tax credits to a Unitholder of the Fund is subject to the detailed rules in the Tax Act.

On a redemption of Units, the Manager may designate and distribute to the redeeming Unitholder, as part of the NAV per Unit of the Units being redeemed, a portion of the net realized capital gains of the Fund for the year ("**Redeemer's Gains**"). If certain proposals to amend the Tax Act are enacted as proposed, an amount will generally be deductible by the Fund in respect of the amount so designated and distributed to a redeeming Unitholder only to the extent such designated amount does not exceed the gain that would otherwise be realized by the Unitholder on the redemption of such Unit..

Changes in Legislation

There can be no assurance that tax, securities or other laws will not be changed in a manner that adversely affects the distributions received by the Fund or by its Unitholders.

There can be no assurance that Canadian federal income tax laws and the administrative policies and assessing practices of the CRA respecting the treatment of mutual fund trusts will not be changed in a manner that adversely affects the Fund or Unitholders. For example, changes to tax legislation or the administration thereof could affect the taxation of the Fund or the issuers whose securities are included in the Portfolio.

No Cash Distributions Risk

The Fund will not make regular distributions. Any distributions of income and capital gains will be paid and satisfied through the issuance of additional Units. Income or taxable capital gains distributed to a Unitholder in Units are nevertheless required to be included in the Unitholder's income even though no cash is received to fund any resulting tax payment.

Use of Derivative Instruments

The Fund may use derivative instruments from time to time as described under "*Investment Strategies – Use of Derivatives and Securities Lending*". The use of derivative instruments involves risks different from, and possibly greater than, the risks associated with investing directly in securities and other traditional investments. Risks associated with the use of derivatives include: (i) there is no guarantee that hedging to reduce risk will not result in a loss or that there will be a gain; (ii) there is no guarantee that a market will exist when the Fund wants to complete or settle the derivative contract, which could prevent the Fund from reducing a loss or making a profit; (iii) securities exchanges may impose trading limits on options and futures contracts, and these limits may prevent the Fund from completing or settling the derivative contract; (iv) the Fund could experience a loss if the other party to the derivative contract is unable to fulfill its obligations; (v) if the Fund has an open position in an option, a futures contract or a forward contract with a dealer who goes bankrupt, the Fund could experience a loss and, for an open futures or forward contract, a loss of margin deposited with that dealer; and (vi) if a derivative is based on a market index and trading is halted or disrupted on a substantial number of stocks or bonds in the index or there is a change in the composition of the index, there could be an adverse effect on the derivative. In circumstances where there is an interest rate hedge employed, total return on the investment portfolio of the Fund may be higher with the hedge than without it when interest rates rise significantly, but may be lower when interest rates are stable or decrease. Alternative mutual funds, as defined in NI 81-102, are accorded greater flexibility to invest using derivatives for non-hedging purposes than other mutual funds under NI 81-102.

Use of Leverage

The Fund is considered to be an "alternative mutual fund", and as a result, is permitted to, and intends to, employ leverage as permitted by, and subject to the parameters under NI 81-102. There can be no assurance that such a strategy will enhance returns and in fact the leverage employed by the Fund may reduce returns (both distributions and capital). If the securities in the portfolio of the Fund suffer a decrease in value, the leverage component will cause a decrease in the net asset value of the Fund in excess of that which would otherwise be experienced if no leverage was employed. Leverage creates risks that may adversely affect the return for Unitholders, including:

(a) the likelihood of greater volatility of net asset value;

(b) increased operating costs, which may reduce total returns;

(c) the potential for a decline in the value of an investment acquired through leverage, while the Fund's obligations under such leverage may remain fixed; and

(d) the Fund is more likely to have to sell securities in a volatile market in order to meet asset coverage or other debt compliance requirements.

Alternative Mutual Fund Risk

The Fund is an "alternative mutual fund" as defined in NI 81-102 because the Fund is permitted to invest in asset classes and use investment strategies, such as leverage, that are not permitted for other types of mutual funds. For more information regarding the Fund's use of leverage please refer to the applicable Part B section of this simplified prospectus. For information on how the Fund's use of leverage could affect your risk of losing money on your investment in the Fund, please refer to the heading *Use of Leverage* above.

Cease Trading of Constituent Securities

If constituent securities in the Portfolio are cease-traded at any time by order of the TSX, Nasdaq, NYSE, a securities regulatory authority or other relevant regulator or stock exchange, the Manager may suspend the exchange or redemption of the Fund's Units until such time as the transfer of the securities is permitted by law.

Securities Lending

The Fund may enter into securities lending arrangements in accordance with NI 81-102 in order to generate additional income to enhance its NAV. In a securities lending transaction, the Fund lends its securities to a borrower in exchange for a fee and the other party to the transaction delivers collateral to the Fund in order to secure the transaction.

Securities lending comes with certain risks. If the other party to the transaction cannot complete the transaction, the Fund may be exposed to the risk of loss should the other party default on its obligation to return the borrowed securities and the collateral may be insufficient to reconstitute the portfolio of loaned securities. To minimize this risk, the other party must provide collateral that is worth at least 102% of the value of the Fund's securities and of the type permitted by NI 81-102. The value of the collateral is monitored daily and adjusted appropriately by the securities lending agent of the Fund.

If the Fund enters into securities lending transactions, it may not commit more than 50% of its Total Assets to securities lending transactions at any time and such transactions may be ended at any time.

Foreign Currency Exposure and Risk

As the Portfolio will consist of securities denominated in foreign currencies, the NAV of the Fund, when measured in Canadian dollars, will, to the extent this has not been hedged against, be affected by changes in the value of the foreign currencies relative to the Canadian dollar. The Portfolio Manager intends to hedge substantially all of the Portfolio's foreign currency exposure back to the Canadian dollar. The use of hedges involves special risks, including the possible default by the other party to the transaction, illiquidity and, to the extent the Portfolio Manager's assessment of certain market movements is incorrect, the risk that the use of hedges could result in diminished returns or losses greater than if the hedging had not been used. Hedging arrangements may have the effect of limiting or reducing the total returns to the Fund if the Portfolio Manager's expectations concerning future events or market conditions prove to be incorrect. In addition, the costs associated with a hedging program may outweigh the benefits of the arrangements in such circumstances.

The assets and liabilities of the Fund are valued in Canadian dollars. If the Fund buys a security denominated in a foreign currency, during the time that the Fund owns that security, for the purposes of calculating the NAV of the Fund, the Manager or the Portfolio Manager convert, on a daily basis, the value of the security into Canadian dollars. Fluctuations in the value of the Canadian dollar relative to the foreign currency will impact the NAV of the Fund. If the value of the Canadian dollar has increased relative to the foreign currency, the return on the foreign security may be reduced, eliminated or made negative. The opposite can also occur and, if it does occur, the Fund holding a security denominated in a foreign currency may benefit from an increase in the value of the foreign currency relative to the Canadian dollar. The underlying issuers in which the Fund may invest may not hedge their foreign currency exposure and, therefore, the Fund may be exposed to fluctuations in these currencies. A substantial portion of the foreign currency exposure of the Fund's portfolio will be hedged back to the Canadian dollar.

Call Risk

The Fund may invest in preferred securities and hybrid instruments, which are subject to call risk. Preferred securities and hybrid instruments may be redeemed at the option of the issuer, or "called," before their stated maturity date. In general, an issuer will call its preferred securities and hybrid instruments if they can be refinanced by issuing new instruments which bear a lower interest rate. The Fund is subject to the possibility that during periods of falling interest rates, an issuer will call its high-yielding preferred securities or hybrid instruments. The Fund may then be forced to invest the unanticipated proceeds at lower interest rates, resulting in a decline in the Fund's income.

Issuer Credit Risk

Issuers of preferred securities in which the Fund may invest may default on their obligations to pay dividends, principal or interest when due. This non-payment could result in a reduction of income to the Fund, a reduction in the value of a preferred security or debt instrument experiencing non-payment and, potentially, a decrease in the NAV of the Fund. There can be no assurance that liquidation of collateral would satisfy the issuer's obligation in the event of non-payment of scheduled dividends, interest or principal when due or that such collateral could be readily liquidated. In the event of bankruptcy of an issuer, the Fund could experience delays or limitations with respect to its ability to realize the benefits of any collateral securing a preferred security or debt instrument. To the extent that the credit rating assigned to a security in the Portfolio is downgraded, the market price and liquidity of such security may be adversely affected. Preferred securities are subordinated borrowing to bonds and hybrid instruments in a company's capital structure in terms of priority to corporate income and assets upon liquidation, and therefore will be subject to greater credit risk than those hybrid instruments.

Short Selling

The Fund is permitted to sell short securities for the purpose of hedging various risks including currency, duration and interest rate exposure. Short selling, or the sale of securities not owned by the Fund, necessarily involves certain additional risks. Such transactions expose the Fund to the risk of loss in an amount greater than the initial investment.

Non-Investment Grade Securities

The Fund may make investments in securities that are not Investment Grade. Securities in the lower rating categories are subject to greater risk of loss, as to timely repayment of principal and timely payment of dividends, interest or distributions than higher-rated securities. They are also generally considered to be subject to greater risk than securities with higher ratings in the case of deterioration of general economic conditions. The yields and prices of lower-rated securities may tend to fluctuate more than those for higher-rated securities.

Financial Regulatory Reforms

Regulatory reforms affecting the financial services industries, such as the Dodd-Frank Act and Basel III rules, may make certain traditional preferred and hybrid securities, including securities held in the Portfolio from time to time, less attractive for issuing banks. This may result in a significant reduction in the issuance and availability of these types of securities and potentially in many outstanding issues in the marketplace being redeemed or potentially less liquid. These changes may negatively impact the prices of some securities, particularly those trading above their par values, as such reforms may make near-term redemptions at par possible. However, other securities may be positively affected, particularly those trading at discounts to par value. Such securities may experience an increase in market value from issuers' redemption activity.

Although it is expected that over time new types of preferred securities in which the Fund may invest will be issued (resulting in higher Portfolio turnover), the continued availability of such investments cannot be determined.

Illiquid Securities

If the Fund is unable to dispose of some or all of the securities held by it, the Fund may experience a delay in the receipt of the proceeds of disposition until such time as it is able to dispose of such securities or may be able to do so only at prices which may not reflect the fair value of such investments. Likewise, if certain securities are particularly illiquid, the Portfolio Manager may be unable to acquire the number of securities it would like at a price acceptable to the Portfolio Manager on a timely basis.

Reliance on Key Personnel

Unitholders will be dependent on the ability of the Manager, and the Portfolio Manager to effectively manage the Fund and the Portfolio in a manner consistent with the investment objectives, strategy and restrictions of the Fund. The Manager, and the Portfolio Manager depend, to a great extent, on the services of a limited number of individuals in connection with the services provided to the Fund. The employees of the Manager, and Portfolio Manager who will be primarily responsible for the management of the Portfolio have experience in managing investment portfolios. The loss of such services or the loss of some key individuals could impair the ability of the Manager, and the Manager to perform their management, administrative and portfolio advisory services, as applicable, on behalf of the Fund. There is no certainty that the employees of the Manager, or Portfolio Manager who will be primarily responsible for the management of the Portfolio will continue to be employees of their respective firms throughout the term of the Fund.

Residency of Portfolio Manager

The Portfolio Manager is resident outside Canada and all or substantial portion of its assets are situated outside Canada. As a result, anyone seeking to enforce legal rights against it may find it difficult to do so.

Equity Investment Risk

Equities such as common shares give the holder part ownership in a company. The value of an equity security changes with the fortunes of the company that issued it. General market conditions and the health of the economy as a whole can also affect equity prices. Certain securities may be particularly sensitive to general market movements, which may result in a greater degree of price volatility for such securities and in the NAV of the Fund that invests in such securities under specific market conditions and over time. Equity related securities that provide indirect exposure to the equity securities of an issuer, such as convertible debentures, can also be affected by equity risk.

Interest Rate Risk

The Fund may invest in fixed income securities, such as bonds and money market instruments and may be sensitive to changes in interest rates. In general, when interest rates are rising, the value of these investments tends to fall. When rates are falling, fixed income securities tend to increase in value. Fixed income securities with longer terms to maturity are generally more sensitive to changes in interest rates.

Foreign Investment Risk

The Fund's investment in non-Canadian and non-U.S. issuers may expose the Fund to unique risks compared to investing in securities of Canadian or U.S. issuers, including, among others, greater market volatility than Canadian or U.S. securities and less complete financial information than for Canadian or U.S. issuers. In addition, adverse political, economic or social developments could undermine the value of the Fund's investments or prevent the Fund from realizing the full value of its investments. Finally, the value of the currency of the securities in which the Fund has invested could decline relative to the value of the Canadian dollar.

Counterparty Risk

Due to the nature of some of the investments that the Fund may hold, the Fund may rely on the ability of the counterparty to the transaction to perform its obligations. In the event that a counterparty fails to complete its obligations, the Fund will bear the risk of loss of the amount expected to be received under options, forward contracts or securities lending agreements or other transactions in the event of the default or bankruptcy of a counterparty.

Foreign Markets Risk

The Fund may trade commodity futures contracts on commodities exchanges in the U.S. None of the Canadian securities regulatory authorities or Canadian exchanges regulate activities of any foreign markets, including execution, delivery and clearing transactions, or have the power to compel enforcement of the rule of a foreign market or any applicable foreign law. Generally, any foreign transaction will be governed by applicable foreign laws. This is true even if the foreign market is formally linked to a Canadian market so that a position taken on a market may be liquidated by a transaction on another market. Moreover, such laws or regulations will vary depending on the foreign country in which the transaction occurs. For these reasons, entities such as the Fund that trade futures contracts may not be afforded certain of the protective measures provided by Canadian legislation and the rules of Canadian exchanges. In particular, funds received from customers for transactions may not be provided the same protection as funds received in respect of transactions on Canadian exchanges.

Market Disruptions

Natural disasters, epidemic and pandemic outbreaks, public health emergencies, war, occupation, terrorism and related geopolitical risks may lead to increased market volatility and may have adverse effects on world economies and markets generally. Those events could also have an acute effect on individual issuers or related groups of issuers and can adversely affect securities and financial markets, inflation and other factors relating to the Fund, its service providers and its portfolio securities. These market conditions and volatility or illiquidity in capital markets may also adversely affect the prospects of the Fund and the value of its portfolio securities.

Cybersecurity Risk

With the increased use of technologies such as the Internet to conduct business, the Manager and the Fund are susceptible to operational, information security, and related risks. Cyber incidents affecting the Fund, the Manager or the Fund's service providers (including, but not limited to, the Fund's Portfolio Manager, sub-advisor(s), transfer agent, custodian and sub-custodians) have the ability to cause disruptions and impact each of their respective business operations, potentially resulting in financial losses, interference with the Fund's ability to calculate their NAV, impediments to trading, the inability of Unitholders to transact business with the Fund and the inability of the Fund to process transactions including redeeming Units, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs associated with the implementation of any corrective measures. Similar adverse consequences could result from cyber incidents affecting the issuers of securities in which the Fund invests and counterparties with which the Fund engages in transactions.

In addition, substantial costs may be incurred to prevent any cyber incidents in the future. While the Manager has established business continuity plans in the event of, and risk management systems to prevent, such cyber incidents, inherent limitations exist in such plans and systems including the possibility that certain risks have not been identified. Furthermore, the Manager and the Fund cannot control the cyber security plans and systems of the Fund's service providers, the issuers of securities in which the Fund invests or any other third parties whose operations may affect the Fund or its Unitholders. As a result, the Fund and its Unitholders could be negatively affected.

Class Risk

The Fund issues more than one Class. Each Class has its own fees and expenses, which are tracked separately; however, if a Class cannot meet its financial obligations, the other Classes are responsible for making up the difference.

Organization and Management Details of the Fund

This section tells you about the companies that are involved in managing or providing services to the Fund.

Manager and Promoter	The manager is responsible for the day-to-day management of the undertaking and operations of the Fund. The promoter of a mutual fund is the entity that was responsible for creating the Fund.	**BMO Nesbitt Burns Inc.** 1 First Canadian Place 100 King Street West 8th Floor Toronto, Ontario, M5X 1A1 BMO Nesbitt Burns Inc. is an indirect wholly-owned subsidiary of Bank of Montreal.
Trustee	The trustee holds title to the securities owned by the Fund on behalf of Unitholders.	**CIBC Mellon Trust Company** Toronto, Ontario The trustee is independent of the Manager and the Fund.
Principal Distributor	The principal distributor markets and distributes the Fund through registered dealers.	**BMO Nesbitt Burns Inc.** Toronto, Ontario
Custodian	The custodian holds cash and securities on behalf of the Fund. The custodian is independent of BMO Nesbitt Burns Inc.	**CIBC Mellon Trust Company** Toronto, Ontario The custodian is independent of the Manager and the Fund.
Registrar	The registrar keeps a register of the owners of securities for the Fund, processes orders, and issues account statements to Unitholders.	**BMO Nesbitt Burns Inc.** Toronto, Ontario

Auditor	The auditor audits the Fund's annual financial statements to ensure that these statements present fairly, in all material respects, the financial position, financial performance and cash flows of the Fund in accordance with International Financial Reporting Standards.	**PricewaterhouseCoopers LLP, Chartered Professional Accountants** Toronto, Ontario The auditor is independent of the Fund.
Securities Lending Agent	The securities lending agent acts as agent for securities lending transactions for the Fund.	**The Bank of New York Mellon** Toronto, Ontario The securities lending agent is independent of the Manager and the Fund.
Portfolio Manager	PineBridge Investments LLC provides portfolio management services to the Manager in respect of the investment portfolio of the Fund.	**PineBridge Investments LLC** New York, New York
Independent Review Committee	The Fund is required to have an independent review committee ("**IRC**") in accordance with National Instrument 81-107 *Independent Review Committee for Investment Funds*. The mandate of the IRC is to review conflict of interest matters identified and referred to the IRC by the Manager and to give its approval or recommendation, depending on the nature of the conflict of interest matter. In each instance where a conflict of interest matter is identified and referred to the IRC, the primary focus of the IRC is to determine if the Manager's proposed action achieves a fair and reasonable result for the Fund. The IRC is currently composed of three members and each member is independent of the Fund, the Manager and other companies related to the Manager. The IRC will prepare, for each financial year of the Fund, a report to Unitholders that describes the IRC and its activities for the financial year. Unitholders can get a copy of this report, at no cost, by calling toll free to 1-866-864-7760 (English) or 1-866-529-0017 (French) or by writing to BMO Nesbitt Burns Inc., 1 First Canadian Place, 100 King Street West, 8th Floor, Toronto, Ontario, M5X 1A1. You can also get a copy of this report through the SEDAR website at **www.sedar.com**. Additional information about the IRC, including the names of IRC members, is available in the Fund's annual information form. In certain circumstances, in place of you approving the Fund merger or change of Fund auditor, the IRC has been permitted under securities legislation to approve the Fund merger and a change of the auditor of the Fund. In these circumstances, you will receive written notice of any proposed Fund merger or change of auditor at least 60 days prior to the effective date of the merger or change of auditor.	

Purchases, Switches and Redemptions

Class A, Class D, Class F and Class I Units

The Fund is authorized to issue an unlimited number of Units of each class. The classes of the Fund derive their returns from a common pool of assets with a single investment objective and together constitute a single mutual fund.

The Class A Units are intended for purchase within a regular investment account. The Class D Units are available to investors who have accounts with a discount brokerage or for other investors for whom we do not incur substantial distribution costs. We pay no trailing commission in respect of Class D Units, which means we can charge a lower management fee. Where Class D Units are available and you currently hold another class of Units of the Fund in an account with a discount broker, your existing Units will not be automatically switched into Class D. Should you wish to switch your existing class of Units of the Fund into Class D, it is your sole responsibility to instruct your discount broker to do so. The Class F Units are available to investors who participate in programs that already charge a fee for the advice they are receiving (for example, dealer-sponsored "fee for service" or wrap programs) or pay their advisor an hourly fee or an annual asset-based fee rather than commissions on each transaction and who purchase Fund Units under such programs. Class I Units are for institutional investors, for use within managed asset programs or structured products. The Fund does not pay a Management Fee (as defined below) in respect of Class I Units because Class I investors negotiate and pay a separate fee directly to us. You do not pay a sales charge when you buy Class I Units. If eligible, you can buy Class I Units only through a registered dealer or broker who has entered into an I Class Agreement with us and only with our prior approval. A dealer's participation in Class I Units distribution is subject to our terms and conditions. Prospective purchasers should speak to their investment advisor to determine which class of Units is appropriate for their particular circumstances.

How the Units of the Fund are valued

All transactions in Units of a class of the Fund are based on the NAV per Unit of the class ("**class NAV per Unit**"). We usually calculate the NAV for the Fund on each business day after the TSX closes, but in some circumstances, we may calculate it at another time (each day on which we calculate the NAV for the Fund is a "**Valuation Date**"). A business day is any day on which the TSX is open for trading. The NAV can and generally will change daily. We also calculate a separate NAV for each class of Units of the Fund.

When you buy, switch or redeem Units of the Fund, you do so at the Fund's class NAV per Unit next determined after the receipt of the purchase, switch or redemption order.

Each class NAV per Unit of the Fund is calculated as at the close of business on each Valuation Date as follows:

(a) first, we determine the fair value of all of the investments and other assets allocated to the class;

(b) second, we subtract the liabilities allocated to that class from the fair value of such class. The difference between the fair value and the liabilities of the class is the NAV for that class; and

(c) lastly, we divide the NAV for the class by the total number of Units of that class held by all investors in the class, which gives us the class NAV per Unit.

Although purchases and redemptions of Units are recorded on a class basis, the assets attributable to all of the classes of the Fund are pooled to create one fund for investment purposes. Each class pays its proportionate share of Fund costs in addition to its management fee, if applicable. The difference in Fund costs and management fee between each class means that each class has a different NAV per Unit. You may obtain the class NAV per Unit of the Fund by visiting the Fund's website at www.bmonotes.com or by calling 1-866-864-7760 (English) or 1-866-529-0017 (French).

Unit Purchases

The Fund issues and redeems Units based on the applicable class NAV per Unit, as further described under "*Purchases, Switches and Redemptions - How the Units of the Fund are valued*".

Class A Units and Class F Units must be purchased through your investment advisor.

Class D Units are available to investors who have accounts with a discount brokerage or for other investors for whom we do not incur substantial distribution costs. Discount brokers do not provide investment recommendations or advice to their clients.

Class I Units are for institutional investors, for use within managed asset programs or structured products. If eligible, you can buy Class I Units only through a registered dealer or broker who has entered into an I Class Agreement with us and only with our prior approval. A dealer's participation in Class I Units distribution is subject to our terms and conditions.

If you are buying Units, you must generally include payment in full with your order. If we do not receive payment within two business days of processing your purchase order for any Units, we must redeem your Units on the next business day. If the proceeds from the redemption are greater than the payment you owe, the Fund keeps the difference. If the proceeds are less than the payment you owe, we will pay the difference to the Fund on your behalf, and collect this amount together with additional costs from your dealer, who may in turn collect these amounts from you.

We generally do not issue Unit certificates. We may accept or reject an order to buy Units within one business day of receiving the order. If we accept your order, your broker or dealer or we will send you confirmation of your order, which is your proof of the transaction. If we reject your order, we will return any money we have received, without interest.

See "*Fees and Expenses*" on page 23 and "*Dealer Compensation*" on page 25 for more information on the fees and expenses and dealer compensation you may have to pay when you purchase Units.

Minimum Purchases and Balances

An investment in Units of any class of the Fund (other than Class I Units) requires you to invest and maintain a minimum balance of $500. Any minimum amounts for Class I Units are determined on a contractual basis. If the value of your investment in a class of the Fund falls below the minimum amount as determined by us from time to time, we may redeem all the securities of such class of the Fund in your account. If, as a result of market fluctuation, the value of your Units of a class of the Fund falls below the minimum balance, we may buy such Units from you or redeem them for you after giving you 10 days' notice. If, as a result of a partial redemption, the value of your remaining holding falls below the minimum balance, we may redeem such remaining holding immediately and without prior notice to you.

We reserve the right to change or waive any minimum purchase order and minimum balance amounts from time to time, at our sole discretion, without notice.

Redemptions

Units may be surrendered at any time for redemption on a Valuation Date, subject to our right to suspend redemptions in certain circumstances. When redeeming Units of the Fund you should indicate whether you wish to redeem a specified dollar amount or number of Units. You may have to pay an administrative fee to your dealer for each redemption. Except as discussed under "*When you may not be allowed to redeem your Units*" on page 20, we cannot refuse an order to redeem Units.

How we process your redemption order

In respect of any redemption, if we receive your order by 4:00 p.m. on a Valuation Date in good order, we will process it at the applicable NAV per Unit determined on such date. All Units that have been surrendered in good order for redemption prior to 4:00 p.m. on a Valuation Date will be deemed to be outstanding until (but not after) the close of business on that Valuation Date.

If we receive your redemption order at or after 4:00 p.m. on a day that is a Valuation Date, or on a day which is not a Valuation Date, we will process it at the applicable NAV per Unit calculated on the next Valuation Date. If the Toronto Stock Exchange closes earlier than 4:00 p.m. on a Valuation Date, we may impose an earlier deadline for receipt of redemption orders. Payment of any redemption proceeds owing will be made within two business days.

We may refuse to process your order if it is not in good order or if all necessary documents and/or information have not been received. If we process it anyway, and have not received all the necessary documentation and/or information needed to settle your redemption request within 10 business days of a Valuation Date, we are required under securities legislation to purchase the equivalent number of Units you asked to be redeemed as of the close of business on the tenth business day. If the purchase price of those Units is less than your redemption price, the Fund will keep the difference. If the amount of the purchase price exceeds your redemption price, we will pay the difference to the Fund and may seek reimbursement from your dealer, together with additional costs. Your dealer may be entitled to recover these amounts from you.

When you have to redeem Units

If you become ineligible to hold the Fund, we may redeem your Units. We may redeem your Units if we are permitted or required to do so, including in connection with the termination of the Fund, in accordance with applicable law. If we redeem your Units, the effect will be the same as if you initiated the transaction. For redemptions in non-registered accounts, we may transfer the proceeds to you, and for redemptions in Registered Plans, we may transfer the proceeds to a registered savings deposit within the plan. We will not give you or your dealer notice prior to taking any of these actions.

When you may not be allowed to redeem your Units

The Fund may suspend your right to request a redemption of Units for all or part of a period when:

(a) normal trading is suspended on a stock, options or futures exchange in Canada or outside Canada in which securities or derivatives that make up more than 50% of the value or underlying exposure of the Fund's Total Assets are traded, and

(b) those securities or derivatives are not traded on any other exchange that represents a reasonable alternative for the Fund.

The Fund may postpone a redemption payment for any period during which your right to request a redemption is suspended under the circumstances described above or with the approval of the Canadian securities regulators. The Fund may not accept orders for the purchase of Units during any period when the redemption of its Units has been suspended.

Switches

A switch involves moving your investment from one class to another class of the Fund. We describe the kinds of switches you can make below. When we receive your order, we'll switch your Units of one class to Units of another class of the Fund. There may be fees or charges payable on the redemption of Units of the Class from which you are switching or on the purchase of the Units of the new class, depending on the class of securities involved and the arrangements between you and your dealer.

Please see *Fees and Expenses* on page 23 for more information. If necessary, securities may be redeemed to pay fees or charges.

Switches between classes of the Fund do not result in dispositions for income tax purposes. See "*Income Tax Considerations"* on page 26.

You can switch your Units of the Fund of one class to another class of Units of the Fund through a qualified financial advisor. It is up to you or your investment professional, if applicable, to determine which class of Units is the more or most appropriate for you. After a switch of Units to another class of Units, the switched Units will be subject to the fees and other terms and conditions applicable to Units of the other class of Units. The choice of different purchase options requires you to pay different fees and expenses and affects the amount of compensation received by your dealer and your financial advisor. See "*Fees and Expenses*" on page 23 and "*Dealer Compensation*" on page 25.

Where Class D Units of the Fund are available and you currently hold another class of Units of the Fund in an account with a discount broker, your existing Units will not be automatically switched into Class D. Should you wish to switch your existing Units of the Fund into Class D, it is your sole responsibility to instruct your discount broker to do so.

If you or your dealer is no longer eligible to hold Class F Units or Class I Units, we may, in our sole and absolute discretion and without notice, switch your Class F Units or Class I Units into Class A Units of the Fund. If we switch your Units in these circumstances, the management fee charged on your Class A Units will be higher than the fee you were paying on the Class F Units or Class I Units that you previously owned. If you become eligible to hold Class F Units or Class I Units, you should so advise your financial advisor and determine whether a change of your Class A Units into Class F Units or Class I Units is appropriate, and so advise us.

Provided the conditions set out below are met, we may, in our discretion, redesignate your Fund Units into Units of another class of the Fund. We may only redesignate your Units if:

- you receive Units having the same value;
- the management fee and any other fees and expenses of the new class are not more than that of the class that you previously owned;
- the redesignation is done at no cost to you;
- the redesignation is not a disposition for tax purposes; and
- the service commissions payable by us to registered dealers and brokers, if any, remain the same.

We have the right to refuse any order to switch Units. We must do so within one business day from the time we receive the order. The timing of the processing of switches is the same as for redemptions.

Short-Term Trading

We discourage investors from short-term trading. Short-term trading can harm the Fund's performance and the value of other investors' holdings in the Fund because such trading can increase brokerage and other administrative costs of the Fund and interfere with long term investment decisions. Short-term trading may be particularly problematic when large sums are involved. Short-term trading can include buying and then redeeming or switching securities of the Fund within 90 days of purchase. We have policies and procedures to detect and deter short-term trading that include the ability to refuse your present or future order(s) to buy or switch securities. If, in our sole discretion, we determine that you are engaging in short-term trading, in addition to taking other available remedies, the Fund may charge a short-term trading penalty to be paid directly to the Fund out of the redemption proceeds, reducing the amount otherwise payable to you on the redemption or switch (see page 25 for more information). We may waive this penalty at any time. Despite these restrictions and our procedures to detect and deter short-term trading, we cannot ensure that such trading will be completely eliminated.

Optional Services

Registered plans

Units of the Fund are qualified investments for a registered retirement savings plan ("**RRSP**"), registered retirement income fund ("**RRIF**"), deferred profit sharing plan, registered education savings plan ("**RESP**"), registered disability savings plan ("**RDSP**") or tax-free savings account ("**TFSA**") (collectively, "**Registered Plans**"). You may purchase Units in a trust governed by a Registered Plan offered by your dealer, subject to certain restrictions. You should consult your tax advisor about the special rules that apply to each particular Registered Plan, including whether or not an investment in the Fund would be a prohibited investment for your RRSP, RRIF, RESP, RDSP or TFSA.

Systematic Withdrawal Plan

You can elect to systematically withdraw Units by selling a specific dollar amount of Units (in minimum amounts of $100 weekly, semi-monthly, monthly, quarterly, semi-annually or annually, depending on the kind of account you have) in respect of each next scheduled investment date subsequent to such election.

If you wish to set up a withdrawal plan, you must notify your broker, dealer or investment advisor sufficiently in advance of the next scheduled investment date such that the broker, dealer or investment advisor is able to provide at least four Business Days' notice to the Manager prior to the applicable next scheduled investment date to set up the regular withdrawal plan. If you wish to set up a systematic withdrawal plan with the Manager, you should speak with your broker, dealer or investment advisor for further details. Here is how the plan works:

- you must hold your Fund Units in a non-registered account,
- you must continue to meet the minimum balance requirements for the Fund, and
- we will redeem enough Units to withdraw money from your account and make payments to you.

If you withdraw more than your investment in the Fund is earning, you'll reduce your original investment and may use it up altogether.

Fees and Expenses

The following table shows the fees and expenses payable by the Fund and the fees and expenses you may have to pay if you invest in the Fund. Fees are paid by the Fund before it calculates its price per security. These fees indirectly reduce the value of your investment.

Fees and expenses payable by the Fund

Management Fee:

As compensation for providing certain management services to the Fund as further described below, the Manager is entitled to receive an annual management fee (the "**Management Fee**") for each class of the Fund, except as indicated below for Class I Units. The Management Fee is expressed as a percentage of the daily NAV of the class. The Management Fee for each class of the Fund is as follows:

Class A Units	Class D Units	Class F Units	Class I Units
2.10%	1.10%	1.10%	*

*The Fund does not pay a Management Fee in respect of Class I Units because Class I investors negotiate and pay a separate fee directly to us. The maximum annual management fee payable by a Class I investor will not be greater than the management fee payable in respect of Class A Units of the Fund.

The Management Fee will be calculated and accrued daily and payable monthly in arrears to the Manager. The Management Fee is subject to applicable taxes. The Management Fee is reduced by an amount equal to all fees and other compensation payable by the Fund to the Portfolio Manager of the Fund.

In exchange for the Management Fee, the Manager provides certain services to the Fund, including but not limited to investment management and advisory services, paying trailing commissions, if applicable to a class of Units, to registered dealers on the distribution of the Fund's securities, advertising and promotional services, office overhead expenses related to the Manager's activities, and all other services necessary or desirable to conduct and operate the Fund's undertaking in an efficient manner.

Service Fees:

In respect of the Class A Units of the Fund, the Manager will pay, out of its management fee, to registered dealers a service fee equal to 1.00% per annum of the net asset value per Class A Unit, plus applicable taxes. The service fee will be calculated daily and paid at the end of each calendar quarter.

Operating Expenses Payable by the Fund:

In addition to the Management Fee, the Fund will pay for all ordinary expenses ("**Fund Expenses**") incurred in connection with its operation and administration. Unless otherwise waived or reimbursed by the Manager, and subject to compliance with NI 81-102, it is expected that the expenses for the Fund will include, as applicable, without limitation: all costs of portfolio transactions; audit fees; fees payable to third party service providers, including any index provider and licensing fees; trustee and custodial expenses; valuation, accounting and record keeping costs; legal expenses; permitted prospectus preparation and filing expenses; costs associated with delivering documents to Unitholders; administrative expenses and costs incurred in connection with continuous public filing requirements; costs and expenses of preparing financial and other reports; costs and expenses arising as a result of complying with all applicable laws, regulations and policies; bank related fees and interest charges; extraordinary expenses; Unitholder reports and servicing costs; fees and expenses of the members of the IRC; expenses related to compliance with National Instrument 81-107 – *Independent Review Committee for Investment Funds* ("**NI 81-107**"); fees and expenses relating to the voting of proxies by a third party; premiums for directors' and officers' insurance coverage for the members of the IRC; income taxes; sales taxes (including GST/HST); brokerage expenses and commissions; and withholding taxes, if any. Such expenses will also include expenses of any action, suit or other proceedings in which or in relation to which the Manager, the Portfolio Manager, the Trustee, the Custodian, the IRC and/or any of their respective officers, directors, employees, consultants or agents is entitled to indemnity by the Fund.

We allocate Fund Expenses proportionately among the class of Units offered. Fund Expenses that are specific to a class are allocated to that class. Certain Fund Expenses are subject to applicable taxes.

For Class I Units, separate fee and expense arrangements are negotiated with each Class I investor.

The Manager may from time to time waive fees or absorb fund expenses, or defer payment of such fees or expenses. In the event of any deferral of any such fees or expenses, the Manager may, subject to necessary Unitholder or regulatory approvals, seek repayment of any deferred amounts at a later date. In addition, the Manager may from time to time cap the operating expenses borne by a particular class of Units. In such a case, if the operating expenses properly allocated to such class exceed the cap, the Manager (not the Fund) will bear the difference. The Manager reserves the right to modify or discontinue any such cap on operating expenses at any time without prior notice to, or approval of, the Unitholders of the Fund.

Management Fee Distributions: The Manager may, at its discretion, agree to charge a reduced management fee as compared to the management fee that it otherwise would be entitled to receive from the Fund, provided that the difference between the fee otherwise chargeable and the reduced management fee is distributed periodically by the Fund to the applicable Unitholders as a management fee distribution. The decision to pay management fee distributions will be in the Manager's discretion and will depend on a number of factors, including the size of the investment and a negotiated fee agreement between the holder of Units and the Manager. The Manager reserves the right to discontinue or change management fee distributions at any time.

IRC Fees and Expenses: Each IRC member receives compensation for the duties he or she performs as an IRC member. The annual retainer for each IRC member (other than the Chair) in respect of all the funds managed by the Manager for which the IRC reviews conflict of interest matters, including the Fund, is $10,000. The annual retainer for the Chair in respect of all the funds managed by the Manager for which the IRC reviews conflict of interest matters, including the Fund, is $13,400. In addition, each IRC member is entitled to the reimbursement of all reasonable expenses in connection with his or her duties as an IRC member.

Fees and expenses payable directly by you

Initial Sales Charge	A sales commission of 0% to 2.00% of the amount invested will be payable by investors purchasing Class A Units of the Fund. You can negotiate this fee with your dealer. No sales commissions will be payable in respect of the Class D Units, Class F Units or Class I Units of the Fund.

Short-Term Trading Fee	Short-term trading by investors may adversely affect all investors in the Fund. To discourage short-term trading, the Fund may, at our sole discretion, charge a short-term trading fee of up to 1% of the amount that you redeem or switch if you buy or switch and then redeem or switch securities of the Fund within 90 days of purchasing or switching them. This fee will be paid directly to the Fund. While this fee generally will be paid out of the redemption proceeds of the Fund, we have the right to redeem such other funds in any of your accounts without further notice to pay this fee. We may in our sole discretion decide which securities will be redeemed in such manner as we may determine. You will be responsible for any costs and expenses, as well as any tax consequences, resulting from the collection of this fee. We may waive this fee at any time.
Registered Plan Fee	No administration fee is charged by the Fund, but you may be charged an administrative fee by your dealer or other Registered Plan provider.
Switch Fee	You may have to pay your dealer a switch fee of up to 2.00% of the NAV of the Units being switched. You can negotiate this fee with your dealer.

Impact of sales charges

The following table shows the fees that you would pay if:

(a) you invested $1,000 in Class A Units, Class D Units, Class F Units or Class I Units of the Fund; and

(b) you held that investment for one, three, five or 10 years and you redeemed the entire investment immediately before the end of that period.

	Fee at time of purchase	One Year	Three Years	Five Years	Ten Years
Class A Units	$20.00	Nil	Nil	Nil	Nil
Class D Units	Nil	Nil	Nil	Nil	Nil
Class F Units	Nil	Nil	Nil	Nil	Nil
Class I Units	Nil	Nil	Nil	Nil	Nil

Dealer Compensation

If you buy Class A Units of the Fund, you may have to pay a front-end sales commission of up to 2.00% of the amount you invest. No sales commissions are payable on a purchase of Class D Units, Class F Units or Class I Units.

For Class A Units of the Fund, out of the Management Fees that we receive, we pay your registered dealer a service fee or trailing commission equal to 1.00% per annum of the Class A Units NAV of the Fund, plus applicable taxes, calculated daily and paid quarterly. The service fee is a percentage of the average daily value of the Class A Units you hold.

No service fee or trailing commission is payable in respect of the Class D Units, Class F Units or Class I Units of the Fund.

We may introduce and pay for new compensation programs from time to time, as well as a portion of marketing and educational programs; neither the Fund nor its Unitholders pay for any such programs.

We may pay for marketing materials we give to dealers to help support their sales efforts. We may also share with dealers a percentage of their costs in marketing the Fund.

We may pay a percentage of the costs of some dealers to hold educational seminars or conferences for their representatives to teach them about, among other things, new developments in the mutual fund industry, financial planning or new financial products. The dealer makes all decisions about where and when the conference is held and who can attend.

We may arrange seminars for representatives of the dealers where we inform them about new developments in our mutual funds, our products and services and mutual fund industry matters. We invite dealers to send their representatives to our seminars and we do not decide who attends. The representatives must pay their own travel, accommodation and personal expenses in connection with attending our seminars.

Equity interests

Bank of Montreal Holding Inc. indirectly owns 100% of the issued shares of the Manager. Bank of Montreal Holding Inc. is a wholly-owned subsidiary of Bank of Montreal. BMO Nesbitt Burns Inc. is an indirect wholly-owned subsidiary of Bank of Montreal and may sell securities of the Fund. Such sales are made on the same basis as those made by other dealers, with no preferential compensation.

Income Tax Considerations

The following is a general summary of the principal Canadian federal income tax consequences to you of distributions from the Fund and the disposition of Units of the Fund. This summary applies to Canadian residents who are individuals (other than trusts that are not Registered Plans) who deal with the Fund at arm's length and are not affiliated with the Fund and who hold Units of the Fund as capital property for tax purposes.

This summary assumes that at all material times the Fund qualifies, and will continue to qualify, as a "mutual fund trust" under the Tax Act. This section is not intended to constitute legal or tax advice, and is qualified in its entirety by the more detailed discussion of income tax considerations as set forth in the Annual Information Form for the Fund.

This summary is general in nature and is not exhaustive of all possible tax considerations. Please consult your own tax advisor with respect to the tax implications of purchasing, holding and redeeming Units of the Fund. See also "*What is a Mutual Fund, and What are the Risks of Investing in a Mutual Fund? — Tax Risk*"

For Units of the Fund Held in a Registered Plan

Units of the Fund are a qualified investment for, and may be held in, Registered Plans. Notwithstanding the foregoing, the holder of a TFSA or RDSP, the annuitant of an RRSP or RRIF or the subscriber of an RESP will be subject to a penalty tax in respect of Units held by such Registered Plan if such Units are a "prohibited investment" for such Registered Plan for the purposes of the Tax Act. Units will not be a "prohibited investment" for a trust governed by a TFSA, RRSP, RRIF, RESP or RDSP unless the holder of the TFSA or RDSP, the annuitant of the RRSP or RRIF or the subscriber of the RESP, as applicable, (i) does not deal at arm's length with the Fund for purposes of the Tax Act, or (ii) has a "significant interest" as defined in the Tax Act in the Fund. Generally, a holder, annuitant or subscriber, as the case may be, will not have a significant interest in the Fund unless the holder, annuitant, or subscriber, as the case may be, owns interests as a beneficiary under the Fund that have a fair market value of 10% or more of the fair market value of the interests of all beneficiaries under the Fund, either alone or together with persons and partnerships with which the holder, annuitant or subscriber, as the case may be, does not deal at arm's length. In addition, Units of the Fund will not be a "prohibited investment" if the Units are "excluded property" as defined in the Tax Act for a trust governed by a TFSA, RRSP, RRIF, RESP or RDSP.

Holders, annuitants and subscribers should consult their own tax advisors with respect to whether Units of the Fund would be prohibited investments, including with respect to whether the Units would be excluded property.

If Units of the Fund are held by a Registered Plan, the Registered Plan pays no tax on income and capital gains distributed by the Fund, or on any capital gains that the Registered Plan makes on redeeming, converting or otherwise disposing of Units, as long as the proceeds remain in the Registered Plan.

Generally, you will be taxed if you withdraw money or Units from a Registered Plan, other than a TFSA. Withdrawals of contributions from RESPs are not taxable; however, withdrawals of income or capital gains that those contributions earn are taxable. Unitholders are urged to consult their own tax advisors regarding the implications of establishing, amending, terminating or withdrawing amounts from a Registered Plan under the Tax Act.

For Units of the Fund Held Outside a Registered Plan

You must include in your income for tax purposes your share of distributions of the Fund's net income and net realized taxable capital gains payable during the year even though such amounts will be reinvested in additional Units or paid and satisfied through the issuance of additional Units. Distributions in excess of the Fund's net income and net realized capital gains for the year are a return of capital and will not be taxable to you, but will reduce the adjusted cost base of your Units of the Fund.

To the extent that distributions are made by the Fund out of its taxable dividends received from taxable Canadian corporations, net realized taxable capital gains or foreign income, the Fund intends to make designations so that the nature of the distribution will be preserved. You may be entitled to claim appropriate dividend tax credits and foreign tax credits.

If the Fund's portfolio has a high turnover rate, the Fund may recognize its accrued gains and losses for tax purposes more frequently than a fund with a lower turnover rate.

If you buy Units of the Fund before a distribution date, you must include in your income your share of the distribution payable on the distribution date even though it may consist of amounts earned or accrued before you purchased your Units. If the Fund distributes income and capital gains in December and you buy Units of the Fund late in the year, you may have to pay tax in respect of income and capital gains it earned for the whole year. Distributions reduce the Fund's NAV per Unit.

You must include in computing your income for a year one-half of any capital gain (the "taxable capital gain") and you must deduct from taxable capital gains in such year one-half of any capital loss (the "allowable capital loss") you realize on redeeming or otherwise disposing of a Unit. The capital gain (or capital loss) will be the amount by which your proceeds of disposition exceed (or are exceeded by) the aggregate of the adjusted cost base of the Unit and any reasonable costs of disposition. Allowable capital losses in excess of taxable capital gains in the year may be carried back three years or forward indefinitely for deduction against taxable capital gains realized in those years. Your adjusted cost base of a Unit of the

Fund will generally be the weighted average cost of all your Units of that class of the Fund, including additional Units issued in satisfaction of a distribution, less the capital returned in any distributions and less the adjusted cost base of Units redeemed. Sales commissions will be included in the cost for these purposes. A consolidation of Units following a distribution at the end of December will not be regarded as a disposition of Units and will not affect the aggregate adjusted cost base of such Units.

For example, suppose you own 500 Units of a class of the Fund with an adjusted cost base of $10 each (a total of $5,000). If you then purchase another 200 Units of the same class of the Fund at $12 each for $2,400 you will now have spent $7,400 for 700 Units of the Fund. Your new adjusted cost base of each Unit of that class is $7,400 divided by 700 or $10.57 per Unit.

Based on the current published administrative policies and assessing practices of the CRA, a switch of Units of a class into Units of another class of the Fund will not constitute a disposition of Units for purposes of the Tax Act.

In certain situations where you dispose of a Unit of the Fund and would otherwise realize a capital loss, the loss will be denied. This may occur if you, your spouse or a person affiliated with you for purposes of the Tax Act acquires Units of the Fund within 30 days before or after you dispose of the Unit which are considered to be “substituted property”. In these circumstances, the capital loss may be deemed to be a “superficial loss” and denied. The amount of the denied capital loss would be added to the adjusted cost base of the Units which are “substituted property”.

You should consult your own tax advisor for advice as to whether fees and expenses paid by you in respect of Class I units are tax deductible.

Individuals (other than certain trusts) are subject to an alternative minimum tax. Income of the Fund paid or payable to a Unitholder that is designated as dividends received on shares of taxable Canadian corporations or net realized taxable capital gains or taxable capital gains realized on the disposition of Units of the Fund may give rise to liability for such minimum tax.

We will issue a tax statement to you each year identifying the taxable portion of your distributions. You should keep detailed records of the purchase cost, sales commissions and distributions relating to your Units in order to calculate their adjusted cost base. You should consult your tax advisor about your particular circumstances.

International Information Reporting

There are due diligence and reporting obligations in the Tax Act which were enacted to implement the Canada-United States Enhanced Tax Information Exchange Agreement. Certain Unitholders (individuals and certain entities) may be requested to provide information to the Fund or their registered dealer relating to their citizenship, tax residency and, if applicable, a U.S. federal tax identification number (“**TIN**”) or such information relating to controlling persons in the case of certain entities. If a Unitholder is a U.S. person (including a U.S. citizen) or if a Unitholder does not provide the requested information, Part XVIII of the Tax Act generally requires information about the Unitholder’s investments to be reported to the CRA, unless the investments are held within a Registered Plan. The CRA provides that information annually to the U.S. Internal Revenue Service.

There are also due diligence and reporting obligations in the Tax Act which were enacted to implement the Common Reporting Standard (“**CRS**”) which provides for the automatic exchange of tax information applicable to tax residents other than of Canada or the United States. Under the CRS, Unitholders may be requested to provide information to the Fund or their registered dealer relating to their citizenship, residency and, if applicable, a local jurisdiction TIN or such information relating to controlling persons in the case of certain entities. If a unitholder is a foreign tax resident (not a Canadian or U.S. person) Part XIX of the Tax Act generally requires information about the unitholder's investments to be reported to the CRA, unless the investments are held within a Registered Plan. The CRA provides that information annually to countries that are party to the CRS.

The Fund (or the Manager as its sponsoring entity) will provide information to the CRA in respect of its Unitholders in accordance with the Canada-United States Enhanced Tax Information Exchange Agreement and the CRS.

What are your Legal Rights?

Securities legislation in some provinces and territories gives you the right to withdraw from an agreement to buy mutual funds within two business days of receiving the simplified prospectus or fund facts, or to cancel your purchase within 48 hours of receiving confirmation of your order.

Securities legislation in some provinces and territories also allows you to cancel an agreement to buy mutual fund units and get your money back or to make a claim for damages, if the simplified prospectus, the annual information form, fund facts or financial statements misrepresent any facts about the fund. These rights must usually be exercised within certain time limits.

For more information, refer to the securities legislation of your province or territory or consult your lawyer.

PART B: FUND SPECIFIC INFORMATION

Specific Information about the Mutual Fund Described in this Document

This section provides an explanation of certain information included in the Part B section of this simplified prospectus.

Fund risk classification

We assign an investment risk rating to the Fund to provide you with further information to help you determine whether the Fund is appropriate for you. These risk ratings are set out below under "*Who should invest in this Fund?*".

The Manager determines the risk ratings of the Fund for purposes of disclosure in this prospectus in accordance with the methodology prescribed in Appendix F Investment Risk Classification methodology on NI 81-102 (the "CSA Methodology"). Under the CSA Methodology, the Manager determines the standard deviation of the Fund's performance for the most recent 10 years, which is a measure of historical volatility, using a prescribed formula, locates the range of standard deviation within which the Fund's standard deviation falls, and identifies the investment risk level set opposite the applicable range by the CSA Methodology in one of the following categories:

- **Low** – generally includes money market funds and Canadian fixed income funds;
- **Low to medium** – generally includes balanced and asset allocation funds;
- **Medium** – generally includes large-cap equity funds investing in developed markets;
- **Medium to high** – generally includes equity funds investing in small/mid-cap issuers, or in specific countries or larger sectors of the economy; and
- **High** – generally includes equity funds investing in emerging markets or narrower sectors of the economy.

Standard deviation is a common statistic used to measure the volatility and risk of an investment. Funds with higher standard deviations are generally classified as being more risky. Other types of risk, both measurable and non-measurable, may exist. Historical performance may not be indicative of future returns and the Fund's historical volatility may not be indicative of its future volatility.

As a result, as part of our final determination of the Fund's risk ranking, we may take into account other qualitative factors, including, but not limited to, economic climate, portfolio management styles, sector concentration and the types of investments made by the Fund and the liquidity of those investments, in making our final determination of the Fund's risk rating and may, at our discretion, classify the Fund at a higher, but not a lower, investment risk level than that determined using the CSA Methodology, should we deem that appropriate.

Under the CSA Methodology, if it has been less than 10 years since securities of the Fund were first available to the public, the Manager must select a reference index in accordance with prescribed criteria, and calculate the standard deviation of the Fund by using the return history of the Fund and imputing the return history of the reference index for the remainder of the 10 year period. Because securities of the Fund have been offered to the public for less than 10 years, the Manager has selected, in accordance with the CSA Methodology, the S&P U.S. Floating Rate Preferred Stock Total Return Index.

We review the level of risk associated with the Fund in connection with each filing of a Fund Fact Document of the Fund, and at least annually. We may determine the investment risk level more frequently than annually, including if we determine it is no longer reasonable in the circumstances.

The risk rating for the Fund is determined as high. This risk rating does not necessarily correspond to an investor's risk tolerance assessment; please consult your financial advisor for advice regarding your personal circumstances.

Details about the method that we use to determine the investment risk level of the Fund is available on request, at no cost to you, by calling us at 1-866-864-7760 (English) or 1-866-529-0017 (French), by writing to us at BMO Nesbitt Burns Inc., 1 First Canadian Place, 100 King Street West, 8^{th} Floor, Toronto, Ontario, M5X 1A1 or by emailing us at admin.dealerservices@bmonb.com.

BMO PineBridge Preferred Securities TACTIC™ Fund

Fund details

Type of fund	Global Preferred Equity
Date started	Class A Units - December 7, 2018 Class D Units - December 7, 2018 Class F Units - December 7, 2018 Class I Units - December 7, 2018
Securities offered	Class A Units, Class D Units, Class F Units and Class I Units
Eligible for registered plans	Qualified investment
Portfolio manager	PineBridge Investments LLC

What does the fund invest in?

Investment objectives

The investment objectives of the Fund are to:

(i) preserve the net asset value per Unit; and

(ii) reduce the risk of rising interest rates by managing Portfolio duration.

The Fund has been created to invest in a global portfolio (the "Portfolio") of securities comprised primarily of Investment Grade preferred securities.

Investment strategies

The investment strategy of the Fund is to invest in and hold a portfolio of securities or assets selected by the Portfolio Manager in order to achieve its investment objectives. The Fund may also hold cash and cash equivalents or other money market instruments to meet its current obligations.

The Portfolio is actively managed by the Portfolio Manager. The Portfolio Manager seeks to exploit the broad opportunity set currently present in preferred securities around the globe. The Portfolio Manager believes that these securities are attractively priced in the current market and that an actively managed portfolio of these securities could provide a stable source of income. In an effort to reduce the adverse effects and limit the Portfolio's sensitivity to rising interest rates, under normal market conditions, the Fund currently maintains a weighted average Portfolio duration of less than 5.5 years.

The Fund invests at least 80% of the Total Assets of the Fund in preferred securities, 75% of the Total Assets in Investment Grade securities and 50% of the Total Assets in securities of U.S. domiciled companies. The Fund invests primarily in preferred securities issued by companies in the financial services sector but will also invest in securities issued by companies in other sectors.

In addition to the strategies contemplated above, the Fund may use the following strategies:

Use of Derivatives and Securities Lending

The Fund may invest in or use derivative instruments and may engage in securities lending transactions in order to earn additional income for the Fund, provided that the use of such derivative instruments and such securities lending transactions is in compliance with applicable Canadian securities legislation and is consistent with the investment objectives and investment strategies of the Fund.

Investments in Other Investment Funds

In accordance with applicable Canadian securities legislation, including NI 81-102, and as an alternative to or in conjunction with investing in and holding preferred securities, the Fund may also invest in securities of other investment funds in a manner that is consistent with its investment objectives and investment strategies, provided that there shall be no duplication of management or incentive fees chargeable in connection with preferred securities held indirectly by the Fund through investments in other investment funds. There are fees and expenses payable by the other investment funds in addition to the fees and expenses payable by the Fund.

Currency Hedging

The Portfolio will be exposed to foreign currencies. The Portfolio Manager intends to hedge substantially all of the Portfolio's foreign currency exposure back to the Canadian dollar.

Hedging currency exposure to reduce the impact of fluctuations in exchange rates is intended to reduce the direct exposure to foreign currency risk for Unitholders.

Leverage

The Fund will employ leverage including through the use of derivatives, in accordance with applicable Canadian securities legislation.

The maximum permitted aggregate exposure of the Fund to cash borrowing, short selling and specified derivatives transactions is 300% of the Fund's net asset value calculated in accordance with the requirements of NI 81-102 applicable to alternative mutual funds. If at any time the aggregate exposure of the Fund exceeds 300% of its net asset value, the Fund will, as soon as practicable thereafter, take steps to reduce such aggregate exposure to 300% of its net asset value or less. The maximum amount of leverage that the Fund will employ at the time of entering into the leverage transaction is 50% of the Fund's net assets. The maximum amount of leverage that the Fund could employ at the time of entering into the leverage transaction is 1.50:1. If at any time leverage exceeds 50% of net assets of the Fund, the Portfolio Manager will, as soon as reasonably practicable thereafter, cause the leverage to be reduced to below 50% of net assets. Accordingly, the maximum amount of leverage to which the Fund could be exposed at any time is 1.50:1.

What are the risks of investing in the Fund?

The risks of investing in mutual funds in general and in the Fund specifically are described under *"What is a Mutual Fund, and What are the Risks of Investing in a Mutual Fund?"* starting at page 6 of Part A of this simplified prospectus. The following are some of the specific risks of investing in the Fund.

- *No Assurance of Achieving Investment Objectives*
- *Fluctuations in NAV and NAV per Unit*

- *Risks of Investing in Preferred Securities*
- *Portfolio Concentration Risk*
- *Risk of Loss*
- *Exchange Rate Risk*
- *Tax Risk*
- *Changes in Legislation*
- *No Cash Distributions Risk*
- *Use of Derivative Instruments*
- *Use of Leverage*
- *Alternative Mutual Fund Risk*
- *Cease Trading of Constituent Securities*
- *Securities Lending*
- *Foreign Currency Exposure and Risk*
- *Call Risk*
- *Issuer Credit Risk*
- *Short Selling*
- *Non-Investment Grade Securities*
- *Financial Regulatory Reforms*
- *Illiquid Securities*
- *Reliance on Key Personnel*
- *Residency of Portfolio Manager*
- *Equity Investment Risk*
- *Interest Rate Risk*
- *Foreign Investment Risk*
- *Counterparty Risk*

- *Foreign Markets Risk*
- *Market Disruptions*
- *Cybersecurity Risk*
- *Class Risk*

Who should invest in this Fund?

The Fund is suitable for investors seeking leveraged exposure to a global portfolio of securities comprised primarily of Investment Grade preferred securities.

The Fund has been assigned a risk classification of high. Please see the discussion of how we derive the Fund's risk classification in the introduction to the Part B section of this simplified prospectus on page 30.

Distribution policy

The Fund will not make regular distributions. The Fund will distribute annually to Unitholders sufficient net income and net realized capital gains so that the Fund will not pay any Canadian federal income tax under Part I of the Tax Act. Such distributions, if necessary, will be paid at the end of December in each year. Distributions are automatically reinvested in additional Units of the Fund. Following such reinvestment, the number of outstanding Units will be automatically consolidated such that each Unitholder will hold, after the consolidation, the same number of Units as the unitholder held before the distribution.

Fund Expenses Indirectly Borne By Investors

There are certain expenses that you pay indirectly. We show these expenses below for each $1,000 invested in the Fund for periods of one, three, five and ten years. This table allows you to compare the expenses you pay indirectly for this Fund to those of our other funds as well as other mutual funds. This example is based on the following assumptions:

(1) the initial investment is $1,000;

(2) the total annual return of the Fund is 5% per year;

(3) the management expense ratio ("MER") of the Fund throughout the years below was equal to the MER of the Fund in its last completed financial year.

	Year	**MER**	**Return**	**Total fees paid by investor**
Class A	1	2.6%	5.00%	$26.65
	3	2.6%	5.00%	$84.01
	5	2.6%	5.00%	$147.26
	10	2.6%	5.00%	$335.20
Class D	1	1.49%	5.00%	$15.27
	3	1.49%	5.00%	$48.15

	5	1.49%	5.00%	$84.39
	10	1.49%	5.00%	$192.10
Class F	1	1.50%	5.00%	$15.38
	3	1.50%	5.00%	$48.47
	5	1.50%	5.00%	$84.96
	10	1.50%	5.00%	$193.39
Class I	1	N/A*	N/A*	N/A*
	3	N/A*	N/A*	N/A*
	5	N/A*	N/A*	N/A*
	10	N/A*	N/A*	N/A*

*Separate fee and expense arrangements are negotiated with each Class I investor.

For more information about fees and expenses, see "*Fees and Expenses*" on page 23.

ALTERNATIVE MUTUAL FUNDS

BMO PineBridge Preferred Securities TACTIC™ Fund
(the “Fund”)

Offering the following classes of mutual fund units:

Class A
Class D
Class F
Class I

Additional information about the Fund is available in the Fund’s Annual Information Form, fund facts, management reports of fund performance and financial statements. These documents are incorporated by reference into this Simplified Prospectus, which means that they legally form part of this document just as if they were printed as a part of this document.

You can get a copy these documents, at your request and at no cost by calling us toll free 1-866-864-7760 (English) or 1-866-529-0017 (French) or from your dealer.

These documents are also available on our website at www.bmonotes.com or by contacting us by email at admin.dealerservices@bmonb.com. You will also find copies of them, and other information about the Fund, on the internet at www.sedar.com.

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