



IRC 2020 Annual Report to Securityholders

December 31, 2020

Introduction

In accordance with National Instrument 81-107 – *Independent Review Committee for Investment Funds* (“NI 81-107”), BMO Nesbitt Burns Inc. (the “**Manager**”), as manager of **BMO PineBridge Preferred Securities TACTIC™ Fund¹** and **BMO Global Water Solutions TACTIC™ Fund²** (the “**Funds**”), appointed the initial members of independent review committee (the “**IRC**”) on November 14, 2013 and February 4, 2015 respectively.

The mandate of the IRC is only to review conflict of interest matters that the Manager has identified and referred to the IRC, including the written policies and procedures that the Manager has in place to manage those conflict of interest matters, and to provide the Manager with an approval or a recommendation, depending on the nature of the conflict of interest matter. At least annually, the IRC will also review and assess the adequacy and effectiveness of the Manager’s written policies and procedures on conflict of interest matters, and will conduct a self-assessment of the IRC’s independence, compensation and effectiveness. Pursuant to NI 81-107, a “conflict of interest matter” is a situation where a reasonable person would consider the Manager or an entity related to the Manager to have an interest that may conflict with the Manager’s ability to act in good faith and in the best interests of the Funds.

Reporting Period

The information disclosed in this report covers the period **beginning January 1, 2020 and ending December 31, 2020**, the financial year-end for the Funds (inclusively, the “**Period**”).

Members of the IRC

Name	Residence	First Appointed
Allen Clarke <i>Chair of the IRC</i>	Toronto, Ontario	November 14, 2013 February 4, 2015
Douglas Derry	Caledon, Ontario	November 14, 2013 February 4, 2015
Thomas Pippy	Mississauga, Ontario	November 14, 2013 February 4, 2015

The members of the IRC also serve as members of the IRC for other investment funds managed by the Manager. In addition, Messrs. Derry and Pippy serve as IRC members of certain funds administered by Scotia Capital. Allen Clarke serves as an IRC member for Canoe Funds and Ridgewood Capital. Each member of the IRC is independent of the Funds, the Manager and any person or company related to the Manager. During the Period, there were no changes in the composition or membership of the IRC and there were no relationships that may cause a reasonable person to question a member’s independence.

Holdings of Securities

The Funds

As at December 31, 2020, IRC members did not beneficially own, directly or indirectly, in aggregate, in excess of 10% of the outstanding units of any class or series of the Funds.

The Manager

The Manager is an indirect subsidiary of Bank of Montreal (the “**Bank**”). As at December 31, 2020, IRC members beneficially owned, directly or indirectly, in aggregate, less than 0.01% of the Bank’s outstanding common shares.

Service Providers

As at December 31, 2020, IRC members beneficially owned, directly or indirectly, in aggregate, less than 0.01% of any class or series of voting or equity securities of any other material persons or companies that provided investment fund services to the Funds or the Manager during the Period.

¹ DoubleLine Income Solutions Trust merged with PineBridge Investment Grade Preferred Securities Fund, and converted to BMO PineBridge Preferred Securities TACTIC™ Fund on December 7, 2018.

² Global Water Solutions Fund converted to BMO Global Water Solutions TACTIC™ Fund on December 7, 2018.

IRC Compensation and Indemnities

The members of the IRC are entitled to be compensated by the Funds and to be indemnified by the Funds in appropriate circumstances. The aggregate compensation paid by the Funds to the IRC for the Period with respect to the Funds was \$37,248.00³

The initial compensation of the IRC was set by the Manager. At least annually, the IRC will review compensation in a manner consistent with good governance practices, giving consideration to the following factors, among any other factors the IRC considers important:

- (a) the best interests of the Funds;
- (b) the nature and complexity of the Funds;
- (c) the nature and extent of the workload of each IRC member, including the commitment of time and energy that is expected from each member;
- (d) industry best practices, including industry averages and surveys on IRC compensation, if available;
- (e) the IRC's most recent annual self-assessment; and
- (f) the Manager's recommendations about IRC compensation and expenses, if made.

During the Period, no amounts were paid to the IRC by the Funds pursuant to indemnities given by the Funds to the IRC.

Conflict of Interest Matters

NI 81-107 requires the IRC to review conflict of interest matters identified and referred to the IRC by the Manager, including the written policies and procedures that the Manager has in place to manage those conflict of interest matters, and to give an approval or a recommendation, depending on the nature of the conflict of interest matter. In certain cases, the IRC may also issue a standing instruction to the Manager in conjunction with the approval or recommendation, which, in effect, provides the Manager with the IRC's prior approval or recommendation to enable the Manager to act in the particular conflict of interest matter on a continuing basis. Where a standing instruction has been issued, the Manager must present the standing instruction to the IRC for their review and renewal on an annual basis.

Below is a brief summary of the conflict of interest matters that have been identified by the Manager and referred by the Manager to the IRC for an approval or a recommendation:

Conflict of Interest Matter	IRC Approval or Recommendation	IRC Standing Instruction	Date of Initial IRC Decision and Standing Instruction (Where Applicable)
1. Valuing assets of the Funds	Positive Recommendation	Yes	November 14, 2013 February 4, 2015
2. Identifying and correcting errors made in calculating the net asset value (the "NAV") of the Fund	Positive Recommendation	Yes	November 14, 2013 February 4, 2015
3. Determining and authorizing the payment and allocation of operating expenses on behalf of the Funds	Positive Recommendation	Yes	November 14, 2013 February 4, 2015
4. Employee conflict of interest matters, including outside business activities and the acceptance of gifts, entertainment and/or other benefits and payments.	Positive Recommendation	Yes	November 14, 2013 February 4, 2015
5. Voting securities held by the Funds ("Proxy Voting")	Positive Recommendation	Yes	November 14, 2013 February 4, 2015
6. Personal Trading by employees of the Manager	Positive Recommendation	Yes	November 14, 2013 February 4, 2015
7. Services Provided by Investment Managers or Portfolio Advisors	Positive Recommendation	Yes	November 14, 2013 February 4, 2015
8. Use of an Entity Related to the Administrator by the Portfolio Advisor for Currency Hedging Transactions for the Fund	Positive Recommendation	Yes	November 14, 2013
9. Entering into a Prime Broker Agreement with BMO Nesbitt Burns Inc.	Positive Recommendation	Yes	November 14, 2013

³ This amount is the total of the fees paid to the IRC members for BMO PineBridge Securities TACTIC™ Fund (\$18,793.00) and BMO Global Water Solutions TACTIC™ Fund (\$18,455.00).

To date, no conflict of interest matter has been referred by the Manager to the IRC for which the IRC did not give an approval or a positive recommendation.

Compliance

The IRC has not been made aware of any instance in which the Manager acted in a conflict of interest matter but did not meet a condition imposed by the IRC in an approval, a recommendation and/or a standing instruction. The Manager has an obligation to notify the IRC of any such instance.

The IRC is responsible for responding only to conflict of interest matters brought to it by the Manager.