

BANK OF MONTREAL /CAN/

Form 424B2

March 03, 2014

The information in this preliminary pricing supplement is not complete and may be changed. This preliminary pricing supplement is not an offer to sell nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Registration Statement No. 333-173924

Filed Pursuant to Rule 424(b)(2)

Subject to Completion, dated March 3, 2014

Pricing Supplement to the Prospectus dated June 22, 2011, the Prospectus Supplement dated June 22, 2011 and the Product Supplement dated June 23, 2011

US\$ 1

Senior Medium-Term Notes, Series B

Upside Booster Notes with Barrier, due March 29, 2019

Linked to the SPDR® S&P® Oil & Gas Exploration & Production ETF

· The notes are designed for investors who seek a fixed positive return equal to the Booster Percentage of 23.75% if the Final Level (as defined below) of the Underlying Asset is greater than or equal to the Barrier Level of 90% but the Percentage Change is less than or equal to the Booster Percentage, and a one-for-one positive return if the Percentage Change of the Underlying Asset is greater than the Booster Percentage. Investors should be willing to forgo periodic interest, and be willing to lose 1% of their principal amount for each 1% that the level of the Underlying Asset decreases from the Initial Level at maturity if the Percentage Change is less than the Barrier Percentage.

· Investors in the notes may lose some or all of their principal amount at maturity.

· Any payment at maturity is subject to the credit risk of Bank of Montreal.

· The notes will be issued in minimum denominations of \$1,000 and integral multiples of \$1,000.

· The offering is expected to price on March 26, 2014, and the notes are expected to settle through the facilities of The Depository Trust Company on or about March 31, 2014.

· The notes are scheduled to mature on March 29, 2019.

· The CUSIP number of the notes is 06366RTK1.

· Our subsidiary, BMO Capital Markets Corp. ("BMOCM"), is the agent for this offering. See "Supplemental Plan of Distribution (Conflicts of Interest)" below.

Investing in the notes involves risks, including those described in the "Selected Risk Considerations" section beginning on page P-3 of this pricing supplement, the "Additional Risk Factors Relating to the Notes" section beginning on page PS-5 of the product supplement, and the "Risk Factors" section beginning on page S-3 of the prospectus supplement and on page 7 of the prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these notes or passed upon the accuracy of this pricing supplement, the product supplement, the prospectus supplement or the prospectus. Any representation to the contrary is a

criminal offense.

The notes will be our unsecured obligations and will not be savings accounts or deposits that are insured by the United States Federal Deposit Insurance Corporation, the Bank Insurance Fund, the Canada Deposit Insurance Corporation or any other governmental agency or instrumentality or other entity.

On the date of this preliminary pricing supplement, based on the terms set forth above, the estimated initial value of the notes is \$919.00 per \$1,000 in principal amount. The estimated initial value of the notes on the pricing date may differ from this value but will not be less than \$900.00 per \$1,000 in principal amount. However, as discussed in more detail in this pricing supplement, the actual value of the notes at any time will reflect many factors and cannot be predicted with accuracy.

|          | Price to Public | Agent's Commission(1) | Proceeds to Bank of<br>Montreal |
|----------|-----------------|-----------------------|---------------------------------|
| Per Note | US\$1,000       | US\$                  | US\$                            |
| Total    | US\$            | US\$                  | US\$                            |

(1) The actual agent's commission will be set forth in the final pricing supplement.

BMO CAPITAL MARKETS

Key Terms of the Notes:

|                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Underlying Asset:    | SPDR® S&P® Oil & Gas Exploration & Production ETF (Bloomberg symbol: XOP). See the section below entitled “The Underlying Asset” for additional information about the Underlying Asset.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Payment at Maturity: | <p>(i) If the Percentage Change is greater than the Booster Percentage, then the amount that the investors will receive at maturity for each \$1,000 in principal amount of the notes will equal:</p> $\text{Principal Amount} + (\text{Principal Amount} \times \text{Percentage Change})$ <p>(ii) If the Percentage Change is between the Barrier Percentage and the Booster Percentage, inclusive, then the amount that the investors will receive at maturity for each \$1,000 in principal amount of the notes will be calculated as follows:</p> $\text{Principal Amount} + (\text{Principal Amount} \times \text{Booster Percentage})$ <p>(iii) If the Percentage Change is less than the Barrier Percentage, then the payment at maturity will equal:</p> $\text{Principal Amount} + (\text{Principal Amount} \times \text{Percentage Change})$ |
| Initial Level:       | The closing level of the Underlying Asset on the Pricing Date.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Final Level:         | The closing level of the Underlying Asset on the Valuation Date.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Booster Percentage:  | 23.75%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Barrier Level:       | 90% of the Initial Level.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Barrier Percentage:  | -10%. Accordingly, you will receive the principal amount of your notes at maturity only if the level of the Underlying Asset does not decrease by more than 10% between the Pricing Date and the Valuation Date. If the Final Level is less than the Barrier Level, you will receive less than the principal amount of your notes at maturity, and you could lose some or all of the principal amount of your notes.                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Percentage Change:   | $\frac{\text{Final Level} - \text{Initial Level}}{\text{Initial Level}}$                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Pricing Date:        | On or about March 26, 2014                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Settlement Date:     | On or about March 31, 2014, as determined on the Pricing Date.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

|                       |                                                                |
|-----------------------|----------------------------------------------------------------|
| Valuation Date:       | On or about March 26, 2019, as determined on the Pricing Date. |
| Maturity Date:        | On or about March 29, 2019, as determined on the Pricing Date. |
| Automatic Redemption: | Not applicable.                                                |
| Calculation Agent:    | BMOCM                                                          |
| Selling Agent:        | BMOCM                                                          |

The Pricing Date, Settlement Date, Valuation Date and Maturity Date for the notes are subject to change and will be set forth in the final pricing supplement.

We may use this pricing supplement in the initial sale of the notes. In addition, BMOCM or another of our affiliates may use this pricing supplement in market-making transactions in any notes after their initial sale. Unless our agent or we inform you otherwise in the confirmation of sale, this pricing supplement is being used in a market-making transaction.

#### Additional Terms of the Notes

You should read this pricing supplement together with the product supplement dated June 23, 2011, the prospectus supplement dated June 22, 2011 and the prospectus dated June 22, 2011. This pricing supplement, together with the documents listed below, contains the terms of the notes and supersedes all other prior or contemporaneous oral statements as well as any other written materials including preliminary or indicative pricing terms, correspondence, trade ideas, structures for implementation, sample structures, fact sheets, brochures or other educational materials of ours or the agent. You should carefully consider, among other things, the matters set forth in “Additional Risk Factors Relating to the Notes” in the product supplement, as the notes involve risks not associated with conventional debt securities. We urge you to consult your investment, legal, tax, accounting and other advisers before you invest in the notes.

You may access these documents on the SEC website at [www.sec.gov](http://www.sec.gov) as follows (or if such address has changed, by reviewing our filings for the relevant date on the SEC website):

- Product supplement dated June 23, 2011:  
<http://www.sec.gov/Archives/edgar/data/927971/000121465911002118/f622112424b5.htm>
- Prospectus supplement dated June 22, 2011:  
<http://www.sec.gov/Archives/edgar/data/927971/000095012311060741/o71090b5e424b5.htm>
- Prospectus dated June 22, 2011:  
<http://www.sec.gov/Archives/edgar/data/927971/000095012311060730/o71090b2e424b2.htm>

Our Central Index Key, or CIK, on the SEC website is 927971. As used in this pricing supplement, the “Company,” “we,” “us” or “our” refers to Bank of Montreal.

## Selected Risk Considerations

An investment in the notes involves significant risks. Investing in the notes is not equivalent to investing directly in the Underlying Asset. These risks are explained in more detail in the “Additional Risk Factors Relating to the Notes” section of the product supplement.

- Your investment in the notes may result in a loss. — You may lose some or all of your investment in the notes. The payment at maturity will be based on the Final Level, and whether the Final Level of the Underlying Asset on the Valuation Date has declined from the Initial Level to a level that is less than the Barrier Level. If the Final Level is less than the Barrier Level, you will lose 1% of the principal amount of your notes for each 1% that the Final Level is less than the Initial Level. Accordingly, you could lose some or all of the principal amount of the notes.
- Your investment is subject to the credit risk of Bank of Montreal. — Our credit ratings and credit spreads may adversely affect the market value of the notes. Investors are dependent on our ability to pay the amount due at maturity, and therefore investors are subject to our credit risk and to changes in the market’s view of our creditworthiness. Any decline in our credit ratings or increase in the credit spreads charged by the market for taking our credit risk is likely to adversely affect the value of the notes.
- Potential conflicts. — We and our affiliates play a variety of roles in connection with the issuance of the notes, including acting as calculation agent. In performing these duties, the economic interests of the calculation agent and other affiliates of ours are potentially adverse to your interests as an investor in the notes. We or one or more of our affiliates may also engage in trading of shares of the Underlying Asset or securities included in the Underlying Asset on a regular basis as part of our general broker-dealer and other businesses, for proprietary accounts, for other accounts under management or to facilitate transactions for our customers. Any of these activities could adversely affect the price of the Underlying Asset and, therefore, the market value of the notes. We or one or more of our affiliates may also issue or underwrite other securities or financial or derivative instruments with returns linked or related to changes in the performance of the Underlying Asset. By introducing competing products into the marketplace in this manner, we or one or more of our affiliates could adversely affect the market value of the notes.
  - Our initial estimated value of the notes will be lower than the price to public. — Our initial estimated value of the notes is only an estimate, and is based on a number of factors. The price to public of the notes will exceed our initial estimated value, because costs associated with offering, structuring and hedging the notes are included in the price to public, but are not included in the estimated value. These costs include the agent’s commission, and the profits that we and our affiliates expect to realize for assuming the risks in hedging our obligations under the notes and the estimated cost of hedging these obligations. The initial estimated value of the notes may be as low as the amount indicated on the cover page of this pricing supplement.
- Our initial estimated value does not represent any future value of the notes, and may also differ from the estimated value of any other party. — Our initial estimated value of the notes as of the date of this preliminary pricing supplement is, and our estimated value as determined on the pricing date will be, derived using our internal pricing models. This value is based on market conditions and other relevant factors, which include volatility of the Underlying Asset, dividend rates and interest rates. Different pricing models and assumptions could provide values for the notes that are greater than or less than our initial estimated value. In addition, market conditions and other relevant factors after the pricing date are expected to change, possibly rapidly, and our assumptions may prove to be incorrect. After the pricing date, the value of the notes could change dramatically due to changes in market conditions, our creditworthiness, and the other factors set forth in this pricing supplement and the product supplement. These changes are likely to impact the price, if any, at which we or BMOCM would be willing to purchase the notes from you in any secondary market transactions. Our initial estimated value does not represent a

minimum price at which we or our affiliates would be willing to buy your notes in any secondary market at any time.

- The terms of the notes are not determined by reference to the credit spreads for our conventional fixed-rate debt. — To determine the terms of the notes, we will use an internal funding rate that represents a discount from the credit spreads for our conventional fixed-rate debt. As a result, the terms of the notes are less favorable to you than if we had used a higher funding rate.

- Certain costs are likely to adversely affect the value of the notes. — Absent any changes in market conditions, any secondary market prices of the notes will likely be lower than the price to public. This is because any secondary market prices will likely take into account our then-current market credit spreads, and because any secondary market prices are likely to exclude all or a portion of the agent's commission and the hedging profits and estimated hedging costs that are included in the price to public of the notes and that may be reflected on your account statements. In addition, any such price is also likely to reflect a discount to account for costs associated with establishing or unwinding any related hedge transaction, such as dealer discounts, mark-ups and other transaction costs. As a result, the price, if any, at which BMOCM or any other party may be willing to purchase the notes from you in secondary market transactions, if at all, will likely be lower than the price to public. Any sale that you make prior to the maturity date could result in a substantial loss to you.
- Owning the notes is not the same as owning shares of the Underlying Asset or a security directly linked to the Underlying Asset. — The return on your notes will not reflect the return you would realize if you actually owned the Underlying Asset or a security directly linked to the performance of the Underlying Asset and held that investment for a similar period. Your notes may trade quite differently from the Underlying Asset. Changes in the price of the Underlying Asset may not result in comparable changes in the market value of your notes. Even if the price of the Underlying Asset increases during the term of the notes, the market value of the notes prior to maturity may not increase to the same extent. It is also possible for the market value of the notes to decrease while the price of the Underlying Asset increases. In addition, any dividends or other distributions paid on the Underlying Asset will not be reflected in the amount payable on the notes.
- You will not have any shareholder rights and will have no right to receive any shares of the Underlying Asset at maturity. — Investing in your notes will not make you a holder of any shares of the Underlying Asset or any securities held by the Underlying Asset. Neither you nor any other holder or owner of the notes will have any voting rights, any right to receive dividends or other distributions, or any other rights with respect to the Underlying Asset or such other securities.
- Changes that affect the S&P Oil & Gas Exploration & Production Select Industry® Index will affect the market value of the notes and the amount you will receive at maturity. — The policies of S&P Dow Jones Indices LLC (the "Index Sponsor"), the sponsor of the S&P Oil & Gas Exploration & Production Select Industry® Index (the "Underlying Index"), concerning the calculation of the Underlying Index, additions, deletions or substitutions of the components of the Underlying Index and the manner in which changes affecting those components, such as stock dividends, reorganizations or mergers, may be reflected in the Underlying Index, and therefore, could affect the share price of the Underlying Asset, the amount payable on the notes at maturity, and the market value of the notes prior to maturity. The amount payable on the notes and their market value could also be affected if the Index Sponsor changes these policies, for example, by changing the manner in which it calculates the Underlying Index, or if the Index Sponsor discontinues or suspends the calculation or publication of the Underlying Index.
  - We have no affiliation with the Index Sponsor and will not be responsible for any actions taken by the Index Sponsor. The Index Sponsor is not an affiliate of ours and will not be involved in the offering of the notes in any way. Consequently, we have no control over the actions of the Index Sponsor, including any actions of the type that would require the calculation agent to adjust the payment to you at maturity. The Index Sponsor has no obligation of any sort with respect to the notes. Thus, the Index Sponsor has no obligation to take your interests into consideration for any reason, including in taking any actions that might affect the value of the notes. None of our proceeds from the issuance of the notes will be delivered to the Index Sponsor.
- Adjustments to the Underlying Asset could adversely affect the notes. — SSgA Funds Management, Inc. ("SSFM"), in its role as the advisor of the Underlying Asset, is responsible for calculating and maintaining the Underlying Asset.



SSFM can add, delete or substitute the stocks comprising the Underlying Asset or make other methodological changes that could change the share price of the Underlying Asset at any time. If one or more of these events occurs, the calculation of the amount payable at maturity may be adjusted to reflect such event or events.

Consequently, any of these actions could adversely affect the amount payable at maturity and/or the market value of the notes.

- We and our affiliates do not have any affiliation with the investment advisor of the Underlying Asset and are not responsible for its public disclosure of information. — We and our affiliates are not affiliated with SSFM in any way and have no ability to control or predict its actions, including any errors in or discontinuance of disclosure regarding its methods or policies relating to the Underlying Asset. SSFM is not involved in the offering of the notes in any way and has no obligation to consider your interests as an owner of the notes in taking any actions relating to the Underlying Asset that might affect the value of the notes. Neither we nor any of our affiliates has independently verified the adequacy or accuracy of the information about SSFM or the Underlying Asset contained in any public disclosure of information. You, as an investor in the notes, should make your own investigation into the Underlying Asset.

- The correlation between the performance of the Underlying Asset and the performance of the Underlying Index may be imperfect. — The performance of the Underlying Asset is linked principally to the performance of the Underlying Index. However, because of the potential discrepancies identified in more detail in the product supplement, the return on the Underlying Asset may correlate imperfectly with the return on the Underlying Index.
- The stocks included in the Underlying Index are concentrated in one sector. All of the stocks included in the Underlying Index are issued by companies in the oil and gas exploration and production sector. As a result, the stocks that will determine the performance of the Underlying Index, which the Underlying Asset seeks to replicate, are concentrated in one sector. Although an investment in the notes will not give holders any ownership or other direct interests in the stocks comprising the Underlying Index, the return on an investment in the notes will be subject to certain risks associated with a direct equity investment in companies in the oil and gas exploration and production sector. Accordingly, by investing in the notes, you will not benefit from the diversification which could result from an investment linked to companies that operate in multiple sectors.
- The Underlying Asset is subject to management risks. — The Underlying Asset is subject to management risk, which is the risk that the investment advisor's investment strategy, the implementation of which is subject to a number of constraints, may not produce the intended results. For example, the investment advisor may invest a portion of the Underlying Asset's assets in securities not included in the relevant industry or sector but which the investment advisor believes will help the Underlying Asset track the relevant industry or sector.
- Lack of liquidity. — The notes will not be listed on any securities exchange. BMOCM may offer to purchase the notes in the secondary market, but is not required to do so. Even if there is a secondary market, it may not provide enough liquidity to allow you to trade or sell the notes easily. Because other dealers are not likely to make a secondary market for the notes, the price at which you may be able to trade the notes is likely to depend on the price, if any, at which BMOCM is willing to buy the notes.
- Hedging and trading activities. — We or any of our affiliates may carry out hedging activities related to the notes, including purchasing or selling securities included in the Underlying Asset, or futures or options relating to the Underlying Asset, or other derivative instruments with returns linked or related to changes in the performance of the Underlying Asset. We or our affiliates may also engage in trading of shares of the Underlying Asset or securities included in the Underlying Index from time to time. Any of these hedging or trading activities on or prior to the Pricing Date and during the term of the notes could adversely affect our payment to you at maturity.
- Many economic and market factors will influence the value of the notes. — In addition to the price of the Underlying Asset and interest rates on any trading day, the value of the notes will be affected by a number of economic and market factors that may either offset or magnify each other, and which are described in more detail in the product supplement.
- You must rely on your own evaluation of the merits of an investment linked to the Underlying Asset. — In the ordinary course of their businesses, our affiliates from time to time may express views on expected movements in the price of the Underlying Asset or the securities held by the Underlying Asset. One or more of our affiliates have published, and in the future may publish, research reports that express views on the Underlying Asset or these securities. However, these views are subject to change from time to time. Moreover, other professionals who deal in the markets relating to the Underlying Asset at any time may have significantly different views from those of our affiliates. You are encouraged to derive information concerning the Underlying Asset from multiple sources, and you should not rely on the views expressed by our affiliates.

Neither the offering of the notes nor any views which our affiliates from time to time may express in the ordinary course of their businesses constitutes a recommendation as to the merits of an investment in the notes.

- Significant aspects of the tax treatment of the notes are uncertain. The tax treatment of the notes is uncertain. We do not plan to request a ruling from the Internal Revenue Service or from any Canadian authorities regarding the tax treatment of the notes, and the Internal Revenue Service or a court may not agree with the tax treatment described in this pricing supplement.

The Internal Revenue Service has issued a notice indicating that it and the Treasury Department are actively considering whether, among other issues, a holder should be required to accrue interest over the term of an instrument such as the notes even though that holder will not receive any payments with respect to the notes until maturity and whether all or part of the gain a holder may recognize upon sale or maturity of an instrument such as the notes could be treated as ordinary income. The outcome of this process is uncertain and could apply on a retroactive basis.

Please read carefully the section entitled “U.S. Federal Tax Information” in this pricing supplement, the section entitled “Supplemental Tax Considerations—Supplemental U.S. Federal Income Tax Considerations” in the accompanying product supplement, the section “United States Federal Income Taxation” in the accompanying prospectus and the section entitled “Certain Income Tax Consequences” in the accompanying prospectus supplement. You should consult your tax advisor about your own tax situation.

### Hypothetical Return on the Notes at Maturity

The following table and examples illustrate the hypothetical return at maturity on a \$1,000 investment in the notes. The “return,” as used in this section is the number, expressed as a percentage, which results from comparing the payment at maturity per \$1,000 in principal amount of the notes to \$1,000. The hypothetical total returns set forth below are based on a hypothetical Initial Level of \$100.00, the Barrier Percentage of -10.00% (the Barrier Level is 90% of the Initial Level), and the Booster Percentage of 23.75%. The hypothetical returns set forth below are for illustrative purposes only and may not be the actual returns applicable to investors in the notes. The numbers appearing in the following table and in the examples below have been rounded for ease of analysis.

| Hypothetical Final Level | Percentage Change | Return on the Notes |
|--------------------------|-------------------|---------------------|
| \$0.00                   | -100.00%          | -100.00%            |
| \$50.00                  | -50.00%           | -50.00%             |
| \$70.00                  | -30.00%           | -30.00%             |
| \$80.00                  | -20.00%           | -20.00%             |
| \$90.00                  | -10.00%           | 23.75%              |
| \$95.00                  | -5.00%            | 23.75%              |
| \$100.00                 | 0.00%             | 23.75%              |
| \$105.00                 | 5.00%             | 23.75%              |
| \$110.00                 | 10.00%            | 23.75%              |
| \$120.00                 | 20.00%            | 23.75%              |
| \$123.75                 | 23.75%            | 23.75%              |
| \$140.00                 | 40.00%            | 40.00%              |
| \$150.00                 | 50.00%            | 50.00%              |
| \$160.00                 | 60.00%            | 60.00%              |
| \$180.00                 | 80.00%            | 80.00%              |
| \$200.00                 | 100.00%           | 100.00%             |

### Hypothetical Examples of Amounts Payable at Maturity

The following examples illustrate how the returns set forth in the table above are calculated.

Example 1: The price of the Underlying Asset decreases from the hypothetical Initial Level of \$100 to a hypothetical Final Level of \$70, representing a Percentage Change of -30%. Because the Percentage Change is negative and the hypothetical Final Level of \$70.00 is less than the Initial Level by more than the Barrier Percentage of -10%, the investor receives a payment at maturity of \$700.00 per \$1,000 in principal amount of the notes, calculated as follows:

$$\$1,000 + (\$1,000 \times -30\%) = \$700.00$$

Example 2: The price of the Underlying Asset decreases from the hypothetical Initial Level of \$100 to a hypothetical Final Level of \$95, representing a Percentage Change of -5%. Although the Percentage Change is negative, because the hypothetical Final Level of \$95.00 is less than the Initial Level by not more than the Barrier Percentage of -10%, the investor receives a payment at maturity of \$1,237.50 per \$1,000 in principal amount of the notes, representing a positive return equal to the Booster Percentage.

Example 3: The price of the Underlying Asset increases from the hypothetical Initial Level of \$100 to a hypothetical Final Level of \$110, representing a Percentage Change of 10%. Because the hypothetical Final Level of \$110.00 is greater than the Initial Level and the Percentage Change of 10% does not exceed the Booster Percentage, the investor

receives a payment at maturity of \$1,237.50 per \$1,000 in principal amount of the notes, representing a positive return equal to the Booster Percentage.

Example 4: The price of the Underlying Asset increases from the hypothetical Initial Level of \$100 to a hypothetical Final Level of \$150, representing a Percentage Change of 50%. Because the Final Level of \$150 is greater than the Initial Level and the Percentage Change of 50% exceeds the Booster Percentage of 23.75%, the investor receives a payment at maturity of \$1,500.00 per \$1,000 in principal amount of the notes, calculated as follows:

$$\$1,000 + (\$1,000 \times 50\%) = \$1,500$$

## The Underlying Asset

We have derived the following information regarding the Underlying Asset from publicly available documents. We have not independently verified the accuracy or completeness of the following information. We are not affiliated with the Underlying Asset and the Underlying Asset will have no obligations with respect to the notes. This pricing supplement relates only to the notes and does not relate to the shares of the Underlying Asset or any securities included in the Underlying Index. Neither we nor our affiliates participates in the preparation of the publicly available documents described below. Neither we nor our affiliates has made any due diligence inquiry with respect to the Underlying Asset in connection with the offering of the notes. There can be no assurance that all events occurring prior to the date of this pricing supplement, including events that would affect the accuracy or completeness of the publicly available documents described below, that would affect the trading price of the shares of the Underlying Asset have been or will be publicly disclosed. Subsequent disclosure of any events or the disclosure of or failure to disclose material future events concerning the Underlying Asset could affect the value of the shares of the Underlying Asset after the pricing date, and therefore could affect the payment at maturity.

The selection of the Underlying Asset is not a recommendation to buy or sell the shares of the Underlying Asset. Neither we nor any of our affiliates make any representation to you as to the performance of the shares of the Underlying Asset. Information provided to or filed with the SEC under the Securities Exchange Act of 1934 and the Investment Company Act of 1940 relating to the Underlying Asset may be obtained through the SEC's website at <http://www.sec.gov>.

The Underlying Asset is an investment portfolio maintained and managed by SSFM. SSFM is the investment advisor to each of ten separate investment portfolios, including the Underlying Asset, all of which are offered by the SPDR® Series Trust, a registered investment company. The Underlying Asset trades on the NYSE Arca under the ticker symbol "XOP." The inception date of the SPDR® S&P Oil & Gas Exploration and Production ETF is June 19, 2006. Prior to January 8, 2007, the Underlying Asset was known as the SPDR® Oil & Gas Exploration & Production ETF.

Information provided to or filed with the SEC by the SPDR® Series Trust under the Securities Exchange Act of 1934 can be located by reference to its Central Index Key, or CIK, 1064642 through the SEC's website at <http://www.sec.gov>. Additional information about SSFM and the Underlying Asset may be obtained from other sources including, but not limited to, press releases, newspaper articles and other publicly disseminated documents. We make no representation or warranty as to the accuracy or completeness of such information.

The Underlying Asset seeks to provide investment results that correspond generally to the price and yield performance, before fees and expenses, of the Underlying Index. The Underlying Index represents the oil and gas exploration and production sub-industry portion of the S&P Total Market Index ("S&P TMI"), an index that measures the performance of the U.S. equity market. The Underlying Asset is composed of companies that are in the oil and gas sector exploration and production. As of February 25, 2014 there were 81 oil and gas exploration and production sector companies included in the Underlying Asset.

The Underlying Asset utilizes a "replication" investment approach in attempting to track the performance of the Underlying Index. The Underlying Asset typically invests in substantially all of the securities which comprise the Underlying Index in approximately the same proportions as the Underlying Index. Underlying Asset will normally invest at least 80% of its total assets in common stocks that comprise the Underlying Index.

## Composition of the Underlying Asset

The following table summarizes the Underlying Asset's top holdings in individual companies as of February 25, 2014.

| Company                                | Percentage of<br>Total Holdings |
|----------------------------------------|---------------------------------|
| Green Plains Renewable<br>Energy Inc.  | 1.86%                           |
| Penn Virginia<br>Corporation           | 1.82%                           |
| Diamondback Energy Inc.                | 1.74%                           |
| Sanchez Energy<br>Corporation          | 1.59%                           |
| Magnum Hunter<br>Resources Corporation | 1.57%                           |
| Matador Resources<br>Company           | 1.55%                           |
| Energen Corporation                    | 1.49%                           |
| SandRidge Energy Inc.                  | 1.49%                           |
| Concho Resources Inc.                  | 1.45%                           |
| Comstock Resources Inc.                | 1.44%                           |



The information above was compiled from the SPDR® website. We have not independently investigated the accuracy of that information. Information contained in the SPDR® website is not incorporated by reference in, and should not be considered a part of, this pricing supplement.

### The Underlying Index

We have derived all information contained in this pricing supplement regarding the Underlying Index, including, without limitation, its make-up, method of calculation and changes in its components, from publicly available information. Such information reflects the policies of, and is subject to change by, Index Sponsor.

The Underlying Index is an equal-weighted index that is designed to measure the performance of the oil and gas exploration and production sub-industry portion of the S&P TMI. The S&P TMI includes all U.S. common equities listed on the NYSE (including NYSE Arca), the NYSE MKT, the NASDAQ Global Select Market, and the NASDAQ Capital Market. Each of the component stocks in the Underlying Index is a constituent company within the oil and gas exploration and production sub-industry portion of the S&P TMI.

To be eligible for inclusion in the Underlying Index, companies must be in the S&P TMI, must be included in the relevant Global Industry Classification Standard (GICS) sub-industry. The GICS was developed to establish a global standard for categorizing companies into sectors and industries. In addition to the above, companies must satisfy one of the two following combined size and liquidity criteria:

1. float-adjusted market capitalization above US\$500 million and float-adjusted liquidity ratio above 90%; or
2. float-adjusted market capitalization above US\$400 million and float-adjusted liquidity ratio above 150%.

All U.S. companies satisfying these requirements are included in the Underlying Index. The total number of companies in the Underlying Index should be at least 35. If there are fewer than 35 stocks, stocks from a supplementary list of highly correlated sub-industries that meet the market capitalization and liquidity thresholds above are included in order of their float-adjusted market capitalization to reach 35 constituents. Minimum market capitalization requirements may be relaxed to ensure there are at least 22 companies in the Underlying Index as of each rebalancing effective date.

Eligibility factors include:

**Market Capitalization:** Float-adjusted market capitalization should be at least US\$400 million for inclusion in the Underlying Index. Existing index components must have a float-adjusted market capitalization of US\$300 million to remain in the Underlying Index at each rebalancing.

**Liquidity:** The liquidity measurement used is a liquidity ratio, defined as dollar value traded over the previous 12-months divided by the float-adjusted market capitalization as of the Underlying Index rebalancing reference date. Stocks having a float-adjusted market capitalization above US\$500 million must have a liquidity ratio greater than 90% to be eligible for addition to the Underlying Index. Stocks having a float-adjusted market capitalization between US\$400 and US\$500 million must have a liquidity ratio greater than 150% to be eligible for addition to the Underlying Index. Existing index constituents must have a liquidity ratio greater than 50% to remain in the Underlying Index at the quarterly rebalancing. The length of time to evaluate liquidity is reduced to the available trading period for IPOs or spin-offs that do not have 12 months of trading history.

**Domicile:** U.S. companies only.

Takeover Restrictions: At the discretion of S&P, constituents with shareholder ownership restrictions defined in company bylaws may be deemed ineligible for inclusion in the Underlying Index. Ownership restrictions preventing entities from replicating the index weight of a company may be excluded from the eligible universe or removed from the Underlying Index.

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Turnover: S&P believes turnover in index membership should be avoided when possible. At times a company may appear to temporarily violate one or more of the addition criteria. However, the addition criteria are for addition to the Underlying Index, not for continued membership. As a result, an index constituent that appears to violate the criteria for addition to the Underlying Index will not be deleted unless ongoing conditions warrant a change in the composition of the Underlying Index.

#### Historical Performance of the Underlying Asset

The following table sets forth the quarter-end high and low closing prices for the Underlying Asset from the first quarter of 2011 through February 25, 2014.

The historical prices of the Underlying Asset are provided for informational purposes only. You should not take the historical prices of the Underlying Asset as an indication of its future performance, which may be better or worse than the prices set forth below.

|      |                                           | High    | Low     |
|------|-------------------------------------------|---------|---------|
| 2011 | First Quarter                             | \$64.50 | \$52.75 |
|      | Second Quarter                            | \$64.97 | \$54.71 |
|      | Third Quarter                             | \$65.24 | \$42.80 |
|      | Fourth Quarter                            | \$57.56 | \$39.99 |
| 2012 | First Quarter                             | \$61.34 | \$52.67 |
|      | Second Quarter                            | \$57.85 | \$45.20 |
|      | Third Quarter                             | \$59.35 | \$48.73 |
|      | Fourth Quarter                            | \$57.38 | \$50.69 |
| 2013 | First Quarter                             | \$62.10 | \$55.10 |
|      | Second Quarter                            | \$62.61 | \$54.71 |
|      | Third Quarter                             | \$66.47 | \$58.62 |
|      | Fourth Quarter                            | \$72.74 | \$65.02 |
| 2014 | First Quarter (through February 25, 2014) | \$70.74 | \$64.04 |

## U.S. Federal Tax Information

By purchasing the notes, each holder agrees (in the absence of a change in law, an administrative determination or a judicial ruling to the contrary) to treat each note as a pre-paid cash-settled derivative contract for U.S. federal income tax purposes. However, the U.S. federal income tax consequences of your investment in the notes are uncertain and the Internal Revenue Service could assert that the notes should be taxed in a manner that is different from that described in the preceding sentence. Please see the discussion (including the opinion of our counsel Morrison & Foerster LLP) in the product supplement under “Supplemental Tax Considerations—Supplemental U.S. Federal Income Tax Considerations,” which applies to the notes.

A “dividend equivalent” payment is treated as a dividend from sources within the U.S. and such payments generally would be subject to a 30% U.S. withholding tax if paid to a non-United States holder (as defined in the product supplement). Under recently proposed U.S. Treasury Department regulations, payments (including deemed payments) that are contingent upon or determined by reference to actual or estimated U.S. source dividends with respect to certain equity-linked instruments, whether explicitly stated or implicitly taken into account in computing one or more of the terms of such instruments, may be treated as dividend equivalents. If enacted in their current form, the regulations will impose a withholding tax on payments made on the notes on or after January 1, 2016 that are treated as dividend equivalents. In that case, we (or the applicable paying agent) would be entitled to withhold taxes without being required to pay any additional amounts with respect to amounts so withheld.

The Treasury Department has issued final regulations and a notice affecting the legislation enacted on March 18, 2010 and discussed in the product supplement under “Supplemental Tax Considerations—Supplemental U.S. Federal Income Tax Considerations—Legislation Affecting Taxation of Notes Held By or Through Foreign Entities.” Pursuant to the notice, withholding requirements with respect to the notes will generally begin no earlier than July 1, 2014. Additionally, the withholding tax will not be imposed on payments pursuant to obligations outstanding on July 1, 2014. Account holders subject to information reporting requirements pursuant to the legislation may include holders of the notes. Foreign financial institutions and non-financial foreign entities located in jurisdictions that have an intergovernmental agreement with the United States governing the legislation may be subject to different rules. Holders are urged to consult their own tax advisors regarding the implications of this legislation and subsequent guidance on their investment in the notes.

### Supplemental Plan of Distribution (Conflicts of Interest)

BMOCM will purchase the notes from us at a purchase price reflecting the commission set forth on the cover page of this pricing supplement. BMOCM has informed us that, as part of its distribution of the notes, it will reoffer the notes to other dealers who will sell them. Each such dealer, or each additional dealer engaged by a dealer to whom BMOCM reoffers the notes, will purchase the notes at an agreed discount to the initial price to public.

We own, directly or indirectly, all of the outstanding equity securities of BMOCM, the agent for this offering. In accordance with FINRA Rule 5121, BMOCM may not make sales in this offering to any of its discretionary accounts without the prior written approval of the customer.

We reserve the right to withdraw, cancel or modify the offering of the notes and to reject orders in whole or in part. You may cancel any order for the notes prior to its acceptance.

You should not construe the offering of the notes as a recommendation of the merits of acquiring an investment linked to the Underlying Asset or as to the suitability of an investment in the notes.

BMOCM may, but is not obligated to, make a market in the notes. BMOCM will determine any secondary market prices that it is prepared to offer in its sole discretion.

We may use this pricing supplement in the initial sale of the notes. In addition, BMOCM or another of our affiliates may use this pricing supplement in market-making transactions in any notes after their initial sale. Unless BMOCM or we inform you otherwise in the confirmation of sale, this pricing supplement is being used by BMOCM in a market-making transaction.

For a period of approximately three months following issuance of the notes, the price, if any, at which we or our affiliates would be willing to buy the notes from investors, and the value that BMOCM may also publish for the notes through one or more financial information vendors and which could be indicated for the notes on any brokerage account statements, will reflect a temporary upward adjustment from our estimated value of the notes that would otherwise be determined at that time. This temporary upward adjustment represents a portion of (a) the hedging profit that we or our affiliates expect to realize over the term of the notes and (b) the selling concessions paid in connection with this offering. The amount of this temporary upward adjustment will decline to zero on a straight-line basis over the three-month period.

### Additional Information Relating to the Estimated Initial Value of the Notes

Our estimated initial value of the notes on the date of this preliminary pricing supplement, and that will be set forth on the cover page of the final pricing supplement relating to the notes, equals the sum of the values of the following hypothetical components:

- a fixed-income debt component with the same tenor as the notes, valued using our internal funding rate for structured notes; and
- one or more derivative transactions relating to the economic terms of the notes.

The internal funding rate used in the determination of the initial estimated value generally represents a discount from the credit spreads for our conventional fixed-rate debt. The value of these derivative transactions are derived from our internal pricing models. These models are based on factors such as the traded market prices of comparable derivative instruments and on other inputs, which include volatility, dividend rates, interest rates and other factors. As a result,

the estimated initial value of the notes on the pricing date will be determined based on market conditions at that time.

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