

BANK OF MONTREAL /CAN/
Form 424B2
July 30, 2014
Registration Statement No. 333-196387

Filed Pursuant to Rule 424(b)(2)

Pricing Supplement to the Prospectus dated June 27, 2014, the Prospectus Supplement
dated June 27, 2014 and the Product Supplement dated June 30, 2014
US\$2,439,000
Senior Medium-Term Notes, Series C
Contingent Risk Absolute Return Notes due July 31, 2020
Linked to the SPDR® EURO STOXX 50® ETF

- The notes are designed for investors who seek a 111% leveraged return based on the appreciation in the share price of the SPDR® EURO STOXX 50® ETF (the “Underlying Asset”). In addition, if the price of the Underlying Asset decreases by no more than 40% from the pricing date to the valuation date, you will receive a positive return on your notes equal to the percentage by which that price declines up to the Maximum Downside Redemption Amount of \$1,400 per \$1,000 in principal amount of the notes. Investors should be willing to lose 1% of their principal amount for each 1% decrease in the price of the Underlying Asset if the price of the Underlying Asset on the valuation date is less than 60% of the price of the Underlying Asset on the pricing date.
 - An investor in the notes may lose all or a portion of their principal amount at maturity.
 - The notes will not bear interest. The notes will not be listed on any securities exchange.
 - Any payment at maturity is subject to the credit risk of Bank of Montreal.
- The offering priced on July 28, 2014, and the notes will settle through the facilities of The Depository Trust Company on July 31, 2014.
 - The notes are scheduled to mature on or about July 31, 2020.
 - The notes will be issued in minimum denominations of \$1,000 and integral multiples of \$1,000.
 - The CUSIP number of the notes is 06366RUU7.
- 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-4 of this pricing supplement, “Additional Risk Factors Relating to the Notes” section beginning on page PS-5 of the product supplement, and “Risk Factors” section beginning on page S-1 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.

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On the date of this pricing supplement, the estimated initial value of the notes is \$914.50 per \$1,000 in principal amount based on the terms set forth above. 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(1) | Agent's Commission(1) | Proceeds to Bank of Montreal |
|----------|--------------------|-----------------------|---------------------------------|
| Per Note | US\$1,000 | US\$35.50 | US\$964.50 |
| Total | US\$2,439,000 | US\$86,584.50 | US\$2,352,415.50 |

BMO CAPITAL MARKETS

Key Terms of the Notes:

Underlying Asset: SPDR® EURO STOXX 50® ETF (Bloomberg symbol: FEZ). See the section below entitled “The Underlying Asset” for additional information about the Underlying Asset.

Payment at Maturity: 1. If the Percentage Change is positive, then the amount that the investors will receive at maturity for each \$1,000 in principal amount of the notes will equal:

$$\text{Principal Amount} + [\text{Principal Amount} \times (\text{Percentage Change} \times \text{Upside Leverage Factor})]$$

2. If the Percentage Change is less than or equal to zero, but is not less than the Barrier Percentage, then the amount that the investors will receive at maturity for each \$1,000 in principal amount of the notes will equal:

$$\text{Principal Amount} + [\text{Principal Amount} \times (-1 \times \text{Percentage Change})]$$

In this case, subject to our credit risk, investors will receive a positive return on the notes up to the Maximum Downside Redemption Amount (as defined below), even though the price of the Underlying Asset has declined since the pricing date.

3. If the Percentage Change is less than the Barrier Percentage, then the amount that the investors will receive at maturity for each \$1,000 in principal amount of the notes will equal:

$$\text{Principal Amount} + (\text{Principal Amount} \times \text{Percentage Change})$$

In this case, investors will lose all or a portion of the principal amount of the notes.

Upside Leverage Factor: 111%

Initial Level: 41.85, which was the closing price of one share of the Underlying Asset on the pricing date.

Final Level: The closing price of one share of the Underlying Asset on the valuation date.

Percentage Change:
$$\frac{\text{Final Level} - \text{Initial Level}}{\text{Initial Level}}$$

Barrier Percentage: -40%. Whether the Percentage Change is less than the Barrier Percentage will only be determined on the valuation date.

| | |
|-------------------------------------|---|
| Barrier Level: | 25.11, which is 60% of the Initial Level. |
| Maximum Downside Redemption Amount: | \$1,400 |
| Pricing Date: | July 28, 2014. |
| Settlement Date: | July 31, 2014. |
| Valuation Date: | July 28, 2020. |
| Maturity Date: | July 31, 2020. |
| Automatic Redemption: | Not applicable. |
| CUSIP Number: | 06366RUU7 |
| Calculation Agent: | BMOCM |
| Selling Agent: | BMOCM |

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 30, 2014, the prospectus supplement dated June 27, 2014 and the prospectus dated June 27, 2014. 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 as follows (or if such address has changed, by reviewing our filings for the relevant date on the SEC website):

- Product supplement dated June 30, 2014:
<http://www.sec.gov/Archives/edgar/data/927971/000121465914004751/f626140424b5.htm>
- Prospectus supplement dated June 27, 2014:
<http://www.sec.gov/Archives/edgar/data/927971/000119312514254915/d750935d424b5.htm>
- Prospectus dated June 27, 2014:
<http://www.sec.gov/Archives/edgar/data/927971/000119312514254905/d749601d424b2.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 substantially all of your investment in the notes. The payment at maturity will be based on the Final Level. If the Percentage Change is less than the Barrier Percentage, you will lose 1% of the principal amount for each 1% decrease in the price of the Underlying Asset. Accordingly, you could lose some or all of the principal amount of your 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 held by 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 is 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 exceeds 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.
- 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 pricing supplement is 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.
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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 shares of 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 Underlying Index will affect the market value of the notes and the amount you will receive at maturity. — The policies of STOXX Limited (“STOXX”), the sponsor of the EURO STOXX 50® 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 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 STOXX changes these policies, for example, by changing the manner in which it calculates the Underlying Index, or if STOXX discontinues or suspends the calculation or publication of the Underlying Index.
- We have no affiliation with STOXX and will not be responsible for any actions taken by STOXX. — STOXX 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 STOXX, including any actions of the type that would require the calculation agent to adjust the payment to you at maturity. STOXX has no obligation of any sort with respect to the notes. Thus, STOXX 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 STOXX.
- 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 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.

- An investment in the notes is subject to risks associated with foreign securities markets. — The Underlying Asset tracks the value of certain European equity securities. You should be aware that investments in securities linked to the value of foreign equity securities involve particular risks. The foreign securities markets comprising the Underlying Asset may have less liquidity and may be more volatile than U.S. or other securities markets and market developments may affect foreign markets differently from U.S. or other securities markets. Direct or indirect government intervention to stabilize these foreign securities markets, as well as cross-shareholdings in foreign companies, may affect trading prices and volumes in these markets. Also, there is generally less publicly available information about foreign companies than about those U.S. companies that are subject to the reporting requirements of the U.S. Securities and Exchange Commission, and foreign companies are subject to accounting, auditing and financial reporting standards and requirements that differ from those applicable to U.S. reporting companies.

Prices of securities in Europe are subject to political, economic, financial and social factors that apply in that market. These factors, which could negatively affect those securities markets, include the possibility of recent or future changes in European economic and fiscal policies, the possible imposition of, or changes in, currency exchange laws or other laws or restrictions applicable to European companies or investments in European equity securities and the possibility of fluctuations in the rate of exchange between currencies, the possibility of outbreaks of hostility and political instability and the possibility of natural disaster or adverse public health development in the region. Moreover, European economies may differ favorably or unfavorably from the U.S. economy in important respects such as growth of gross national product, rate of inflation, capital reinvestment, resources and self-sufficiency.

- An investment in the notes is subject to foreign currency exchange rate risk. — The share prices of the Underlying Asset will fluctuate based upon its net asset value, which will in turn depend in part upon changes in the value of the euro against the U.S. dollar. Accordingly, investors in the notes will be exposed to currency exchange rate risk with respect to the euro. An investor's net exposure will depend on the extent to which the euro strengthen or weaken against the U.S. dollar. If the dollar strengthens against the euro, the net asset value of the Underlying Asset will be adversely affected and the price of the Underlying Asset may decrease.
- 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 have carried out or may carry out hedging activities related to the notes, including purchasing or selling shares of the Underlying Asset or securities held by 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 held by the Underlying Asset 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 prices of 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 the Initial Level of \$41.85, the Barrier Percentage of -40%, and the Upside Leverage Factor of 111%. 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 | Payment at Maturity |
|--------------------------|-------------------|---------------------|---------------------|
| \$0.00 | -100.00% | -100.00% | \$0.00 |
| \$4.19 | -90.00% | -90.00% | \$100.00 |
| \$8.37 | -80.00% | -80.00% | \$200.00 |
| \$12.56 | -70.00% | -70.00% | \$300.00 |
| \$16.74 | -60.00% | -60.00% | \$400.00 |
| \$20.93 | -50.00% | -50.00% | \$500.00 |
| \$25.11 | -40.00% | 40.00% | \$1,400.00 |
| \$29.30 | -30.00% | 30.00% | \$1,300.00 |
| \$33.48 | -20.00% | 20.00% | \$1,200.00 |
| \$37.67 | -10.00% | 10.00% | \$1,100.00 |
| \$41.85 | 0.00% | 0.00% | \$1,000.00 |
| \$43.94 | 5.00% | 5.55% | \$1,055.50 |
| \$46.04 | 10.00% | 11.10% | \$1,111.00 |
| \$48.13 | 15.00% | 16.65% | \$1,166.50 |
| \$50.22 | 20.00% | 22.20% | \$1,222.00 |
| \$54.41 | 30.00% | 33.30% | \$1,333.00 |
| \$58.59 | 40.00% | 44.40% | \$1,444.00 |
| \$62.78 | 50.00% | 55.50% | \$1,555.00 |

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 Initial Level of \$41.85 to a hypothetical Final Level of \$20.93 representing a Percentage Change of -50%. Because the Percentage Change is less than the Barrier Percentage, the investor receives a payment at maturity of \$500 per \$1,000 in principal amount of the notes, calculated as follows:

$$\text{Principal Amount} + (\text{Principal Amount} \times \text{Percentage Change}) = \text{Payment at Maturity}$$

$$\$1,000 + (\$1,000 \times -50\%) = \$500.00$$

Example 2: The price of the Underlying Asset decreases from the Initial Level of \$41.85 to a hypothetical Final Level of \$37.67, representing a Percentage Change of -10%. Because the Percentage Change is less than zero but is not less than the Barrier Percentage, the investor receives a payment at maturity of \$1,100 per \$1,000 in principal amount of the notes, calculated as follows:

$$\text{Principal Amount} + [\text{Principal Amount} \times (-1 \times \text{Percentage Change})] = \text{Payment at Maturity}$$

$$\$1,000 + [\$1,000 \times (-1 \times -10\%)] = \$1,100$$

Example 3: The price of the Underlying Asset increases from the Initial Level of \$41.85 to a hypothetical Final Level of \$43.94, representing a Percentage Change of 5%. Because the Percentage Change is positive, the investor receives a payment at maturity of \$1,055.50 per \$1,000 in principal amount of the notes, calculated as follows:

$$\text{Principal Amount} + [\text{Principal Amount} \times (\text{Percentage Change} \times \text{Upside Leverage Factor})] = \text{Payment at Maturity}$$

$$\$1,000 + [\$1,000 \times (5\% \times 111\%)] = \$1,055.50$$

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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.

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 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.

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 that is set forth on the cover page of this pricing supplement, 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 was determined based on the market conditions on the pricing date.

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 held by 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 price 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 "FEZ."

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, before fees and expenses, correspond generally to the total return performance of the Underlying Index. The Underlying Index designed to represent the performance of some of the largest companies across components of the 20 EURO STOXX Supersector Indexes.

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.

The Underlying Index

All disclosures contained in this pricing supplement regarding the Underlying Index, including, without limitation, its make up, method of calculation, and changes in its components, have been derived from publicly available sources. The information reflects the policies of, and is subject to change by, STOXX. STOXX, which owns the copyright and all other rights to the Underlying Index, has no obligation to continue to publish, and may discontinue publication of, the Underlying Index.

The Underlying Index was created by STOXX, a joint venture between Deutsche Börse AG and SIX Group AG. Publication of the Underlying Index began in February 1998, based on an initial index level of 1,000 at December 31, 1991. On March 1, 2010, STOXX announced the removal of the “Dow Jones” prefix from all of its indices, including the Underlying Index. Additional information about the Underlying Index is available on the STOXX Limited website: <http://www.stoxx.com>. However, information included in that website is not included or incorporated by reference in this pricing supplement.

General

For each of the 19 EURO STOXX regional supersector indices, the stocks are ranked in terms of free-float market capitalization. The largest stocks are added to the selection list until the coverage is close to, but still less than, 60% of the free-float market capitalization of the corresponding supersector index. If the next highest-ranked stock brings the coverage closer to 60% in absolute terms, then it is also added to the selection list. All current stocks in the index are then added to the selection list. All of the stocks on the selection list are then ranked in terms of free-float market capitalization to produce the final index selection list. The largest 40 stocks on the selection list are selected; the remaining 10 stocks are selected from the largest remaining current stocks ranked between 41 and 60; if the number of stocks selected is still below 50, then the largest remaining stocks are selected until there are 50 stocks. In exceptional cases, STOXX’s management board can add stocks to and remove them from the selection list.

The index stocks are subject to a capped maximum index weight of 10%, which is applied on a quarterly basis.

The Underlying Index is composed of 50 component stocks of market sector leaders from within the 19 EURO STOXX® Supersector indices, which represent the Eurozone portion of the STOXX Europe 600® Supersector indices. The index stocks have a high degree of liquidity and represent the largest companies across a wide range of market sectors.

Composition and Maintenance of the Underlying Index

The composition of the Underlying Index is reviewed annually, based on the closing stock data on the last trading day in August. Changes in the composition of the Underlying Index are made to ensure that it includes the 50 market sector leaders from within the EURO STOXX Index.

The free float factors for each component stock used to calculate the Underlying Index, as described below, are reviewed, calculated, and implemented on a quarterly basis and are fixed until the next quarterly review.

The Underlying Index is subject to a “fast exit rule.” The index stocks are monitored for any changes based on the monthly selection list ranking. A stock is deleted from the Underlying Index if: (a) it ranks 75 or below on the monthly selection list and (b) it has been ranked 75 or below for a consecutive period of two months in the monthly selection list. The highest-ranked stock that is not already an index stock will replace it. Changes will be implemented on the close of the fifth trading day of the month, and are effective the next trading day.

The Underlying Index is also subject to a “fast entry rule.” All stocks on the latest selection lists and initial public offering (IPO) stocks are reviewed for a fast-track addition on a quarterly basis. A stock is added, if (a) it qualifies for the latest STOXX blue-chip selection list generated end of February, May, August or November and (b) it ranks within the “lower buffer” on this selection list.

The Underlying Index is also reviewed on an ongoing basis. Corporate actions (including initial public offerings, mergers and takeovers, spin-offs, delistings, and bankruptcy) that affect the Underlying Index composition are immediately reviewed. Any changes are announced, implemented, and effective in line with the type of corporate action and the magnitude of the effect.

Calculation of the Underlying Index

The Underlying Index is calculated with the “Laspeyres formula,” which measures the aggregate price changes in the index stocks against a fixed base quantity weight. The formula for calculating the Underlying Index value can be expressed as follows:

$$\text{Index} = \frac{\text{free float market capitalization of the index at the time}}{\text{divisor of the index at the time}}$$

The “free float market capitalization of the index” is equal to the sum of the products of the closing price, number of shares, free float factor and the weighting cap factor for each component company as of the time that the Underlying Index is being calculated.

The divisor of the Underlying Index is adjusted to maintain the continuity of the Underlying Index’s values across changes due to corporate actions, such as the deletion and addition of stocks, the substitution of stocks, stock dividends, and stock splits.

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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 2010 through the pricing date.

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.

Closing Prices of the Underlying Asset

| | | High | Low |
|------|--|---------|---------|
| 2010 | First Quarter | \$43.10 | \$35.37 |
| | Second Quarter | \$40.55 | \$30.01 |
| | Third Quarter | \$37.16 | \$30.87 |
| | Fourth Quarter | \$40.47 | \$34.04 |
| 2011 | First Quarter | \$41.34 | \$35.28 |
| | Second Quarter | \$44.03 | \$37.61 |
| | Third Quarter | \$41.18 | \$26.49 |
| | Fourth Quarter | \$34.92 | \$27.24 |
| 2012 | First Quarter | \$33.92 | \$28.59 |
| | Second Quarter | \$32.76 | \$25.83 |
| | Third Quarter | \$33.41 | \$25.47 |
| | Fourth Quarter | \$34.79 | \$30.54 |
| 2013 | First Quarter | \$36.40 | \$32.78 |
| | Second Quarter | \$36.58 | \$32.44 |
| | Third Quarter | \$39.13 | \$32.80 |
| | Fourth Quarter | \$42.20 | \$38.48 |
| 2014 | First Quarter | \$42.66 | \$38.94 |
| | Second Quarter | \$45.11 | \$42.16 |
| | Third Quarter (through the pricing date) | \$43.81 | \$41.57 |

Validity of the Notes

In the opinion of Osler, Hoskin & Harcourt LLP, the issue and sale of the notes has been duly authorized by all necessary corporate action of the Bank in conformity with the Senior Indenture, and when this pricing supplement has been attached to, and duly notated on, the master note that represents the notes, the notes will have been validly executed and issued and, to the extent validity of the notes is a matter governed by the laws of the Province of Ontario, or the laws of Canada applicable therein, and will be valid obligations of the Bank, subject to the following limitations (i) the enforceability of the Senior Indenture may be limited by the Canada Deposit Insurance Corporation Act (Canada), the Winding-up and Restructuring Act (Canada) and bankruptcy, insolvency, reorganization, receivership, moratorium, arrangement or winding-up laws or other similar laws affecting the enforcement of creditors' rights generally; (ii) the enforceability of the Senior Indenture may be limited by equitable principles, including the principle that equitable remedies such as specific performance and injunction may only be granted in the discretion of a court of competent jurisdiction; (iii) pursuant to the Currency Act (Canada) a judgment by a Canadian court must be awarded in Canadian currency and that such judgment may be based on a rate of exchange in existence on a day other than the day of payment; and (iv) the enforceability of the Senior Indenture will be subject to the limitations contained in the Limitations Act, 2002 (Ontario), and such counsel expresses no opinion as to whether a court may find any provision of the Senior Debt Indenture to be unenforceable as an attempt to vary or exclude a limitation period under that Act. This opinion is given as of the date hereof and is limited to the laws of the Provinces of Ontario and the federal laws of Canada applicable thereto. In addition, this opinion is subject to customary assumptions about the Trustee's authorization, execution and delivery of the Indenture and the genuineness of signatures and certain factual matters, all as stated in the letter of such counsel dated July 2, 2014, which has been filed as Exhibit 5.1 to Bank of Montreal's Form 6-K filed with the SEC on July 3, 2014.

In the opinion of Morrison & Foerster LLP, when the pricing supplement has been attached to, and duly notated on, the master note that represents the notes, and the notes have been issued and sold as contemplated by the prospectus supplement and the prospectus, the notes will be valid, binding and enforceable obligations of Bank of Montreal, entitled to the benefits of the Indenture, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally, concepts of reasonableness and equitable principles of general applicability (including, without limitation, concepts of good faith, fair dealing and the lack of bad faith). This opinion is given as of the date hereof and is limited to the laws of the State of New York. This opinion is subject to customary assumptions about the Trustee's authorization, execution and delivery of the Indenture and the genuineness of signatures and to such counsel's reliance on the Bank and other sources as to certain factual matters, all as stated in the legal opinion dated July 2, 2014, which has been filed as Exhibit 5.2 to the Bank's Form 6-K filed on July 3, 2014.