

BANK OF MONTREAL /CAN/

Form 424B2

February 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 February 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\$

Senior Medium-Term Notes, Series B

Bullish Enhanced Return Notes with Lookback Feature due February 28, 2017

Linked to the S&P 500® Index

- The notes are designed for investors who seek a 200% leveraged positive return based on the appreciation in the level of the S&P 500® Index (the “Underlying Asset”). Investors should be willing to accept a payment at maturity that is capped at the Maximum Redemption Amount (as defined below), 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 its level on the pricing date.
- The Initial Level of the Underlying Asset will be the lowest closing level of the Underlying Asset on each trading day during the Observation Period (as defined below). The actual Initial Level will not be determined until after the pricing date, and will be made available to investors in the notes after the expiration of the Observation Period.
 - Investors in the notes may lose up to 100% of their principal amount at maturity.
- The maximum return at maturity will be equal to the product of the Upside Leverage Factor of 200% and the Cap of 15.00%. Accordingly, the Maximum Redemption Amount will be \$1,300 for each \$1,000 in principal amount (a 30% return).
 - 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 February 26, 2014, and the notes are expected to settle through the facilities of The Depository Trust Company on or about February 28, 2014.
 - The notes are scheduled to mature on February 28, 2017.
 - The CUSIP number of the notes is 06366RSZ9.
- 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-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, the estimated initial value of the notes is \$965.20 per \$1,000 in principal amount, based on the terms set forth above. The estimated initial value of the notes on the pricing date may differ from this value but will not be less than \$935.00 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 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:	S&P 500® Index (Bloomberg symbol: SPX). 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 or equal to the Cap, the payment at maturity for each \$1,000 in principal amount of the notes will equal the Maximum Redemption Amount.</p> <p>(ii) If the Percentage Change is positive but is less than the Cap, then the amount that the investors will receive at maturity for each \$1,000 in principal amount of the notes will equal:</p> $\text{Principal Amount} + (\text{Principal Amount} \times \text{Percentage Change} \times \text{Upside Leverage Factor})$ <p>(iii) If the Percentage Change is zero or negative, then the payment at maturity will equal:</p> $\text{Principal Amount} + (\text{Principal Amount} \times \text{Percentage Change})$
Upside Leverage Factor:	200%
Cap:	15.00%
Maximum Redemption Amount:	The payment at maturity will not exceed the Maximum Redemption Amount of \$1,300 per \$1,000 in principal amount of the notes (to be confirmed on the pricing date).
Initial Level:	The lowest closing level of the Underlying Asset on each trading day during the Observation Period, except on any trading day on which a market disruption event occurs. The actual Initial Level will not be determined until after the pricing date and will be made available to investors in the notes after the expiration of the Observation Period.
Final Level:	The closing level of the Underlying Asset on the valuation date.
Observation Period:	The period from and including the pricing date to and including the day that is approximately one month following the pricing date (or if that day is not a trading day, the next trading day). The final date of the Observation Period will be set forth in the final pricing supplement relating to the notes.
Percentage Change:	$\frac{\text{Final Level} - \text{Initial Level}}{\text{Initial Level}}$

Pricing Date:	On or about February 26, 2014
Issue Date:	On or about February 28, 2014, as determined on the pricing date.
Valuation Date:	On or about February 24, 2017, as determined on the pricing date.
Maturity Date:	On or about February 28, 2017, as determined on the pricing date.
Automatic Redemption:	Not applicable
Calculation Agent:	BMOCM
Selling Agent:	BMOCM

The pricing date, issue 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 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/927971/000121465911002122/a622111424b5.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. You will lose 1.00% of the principal amount of your notes for each 1.00% that the Final Level decreases from the Initial Level. Accordingly, you could lose up to 100% of the principal amount of the notes.
- Your return on the notes is limited to the Maximum Redemption Amount, regardless of any appreciation in the level of the Underlying Asset. — You will not receive a payment at maturity with a value greater than the Maximum Redemption Amount per \$1,000 in principal amount of the notes. This will be the case even if the Percentage Change exceeds the Cap.
- The Initial Level will be determined after the pricing date of the notes. The Initial Level of the Underlying Asset will be determined based on the lowest closing level of the Underlying Asset on each trading day during the Observation Period. The Observation Period will, as described above, end on a day that is approximately one month after the pricing date for the notes. As a result, the Initial Level will not be determined, and neither you nor we (nor BMOCM or any of our respective affiliates) can be certain of what the Initial Level will be, until after the expiration of the Observation Period.
- 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 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 level 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 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.
- You will not have any shareholder rights and will have no right to receive any shares of any company included in the Underlying Asset at maturity. — Investing in your notes will not make you a holder of any shares of any company included in 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 those securities.
- Changes that affect the Underlying Asset 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 ("S&P"), the sponsor of the Underlying Asset, concerning the calculation of the Underlying Asset, additions, deletions or substitutions of the components of the Underlying Asset and the manner in which changes affecting those components, such as stock dividends, reorganizations or mergers, may be reflected in the Underlying Asset and, therefore, could affect the level 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 S&P changes these policies, for example, by changing the manner in which it calculates the Underlying Asset, or if S&P discontinues or suspends the calculation or publication of the Underlying Asset. None of our proceeds from any issuance of the notes will be delivered to S&P.
- We have no affiliation with S&P and will not be responsible for any actions taken by S&P. S&P 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 S&P, including any actions of the type that would require the calculation agent to adjust the payment to you at maturity. S&P has no obligation of any sort with respect to the notes. Thus, S&P 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.
- 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 your 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 relating to 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 level 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.

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·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 level 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 those 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 1,000.00, an Upside Leverage Factor of 200%, a Cap of 15.00% (a percentage change in the Underlying Asset of 15.00% results in a maximum return on the notes of 30%), and a Maximum Redemption Amount of \$1,300. 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%
500.00	-50.00%	-50.00%
700.00	-30.00%	-30.00%
800.00	-20.00%	-20.00%
850.00	-15.00%	-15.00%
950.00	-5.00%	-5.00%
1,000.00	0.00%	0.00%
1,050.00	5.00%	10.00%
1,100.00	10.00%	20.00%
1,150.00	15.00%	30.00%
1,200.00	20.00%	30.00%
1,250.00	25.00%	30.00%
1,300.00	30.00%	30.00%
1,500.00	50.00%	30.00%
2,000.00	100.00%	30.00%

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 level of the Underlying Asset decreases from the hypothetical Initial Level of 1,000.00 to a hypothetical Final Level of 950.00, representing a Percentage Change of -5%. Because the Percentage Change is negative and the hypothetical Final Level of 950.00 is less than the Initial Level, the investor receives a payment at maturity of \$950 per \$1,000 in principal amount of the notes, calculated as follows:

$$\$1,000 + [\$1,000 \times -5\%] = \$950$$

Example 2: The level of the Underlying Asset increases from the hypothetical Initial Level of 1,000.00 to a hypothetical Final Level of 1,050.00, representing a Percentage Change of 5%. Because the hypothetical Final Level of 1,050.00 is greater than the Initial Level and the Percentage Change of 5% does not exceed the Cap, the investor receives a payment at maturity of \$1,100.00 per \$1,000 in principal amount of the notes, calculated as follows:

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March 29, 2016

/s/ Ronald Kaplan

Ronald Kaplan

Director
March 29, 2016
/s/ Shachar Degani
Shachar Degani
Director
March 29, 2016

/s/ Amihai Beer
Amihai Beer

Director

March 29, 2016
/s/ Amit Ben Zvi
Amit Ben Zvi
Director
March 29, 2016

AUTHORIZED REPRESENTATIVE IN
THE UNITED STATES:

CAESARSTONE USA, INC.

By: /s/ Yosef Shiran
Name: Yosef Shiran
Title: Authorized Signatory

March 29, 2016

By: /s/ Yair Averbuch
Name: Yair Averbuch
Title: Authorized Signatory

March 29, 2016

EXHIBIT INDEX

Exhibit Number	Description
5.1	Opinion of Gross, Kleinhendler, Hodak, Halevy, Greenberg & Co., Israeli counsel to the Registrant, as to the validity of the Ordinary Shares (including consent).
23.1	Consent of Kost Forer Gabbay & Kasierer, a member of Ernst & Young Global.
23.2	Consent of Grant Thornton Audit Pty Ltd.
23.3	Consent of Gross, Kleinhendler, Hodak, Halevy, Greenberg & Co. (included in Exhibit 5.1).
23.4	Consent of Freedonia Custom Research Inc.
24.1	Power of Attorney (included on the Signature Page of this Registration Statement).
99.1	Caesarstone Sdot- Yam Ltd. 2011 Incentive Compensation Plan, as amended (1)

(1) Incorporated by reference to Exhibit 4.5 to the Registrant's annual report on Form 20-F for the year ended December 31, 2015, filed with the Commission on March 7, 2016.