BANK OF MONTREAL /CAN/
Form FWP
December 06, 2018

Registration Statement No. 333-217200

Filed Pursuant to Rule 433

Subject to Completion, dated December 6, 2018

Pricing Supplement to the Prospectus dated April 27, 2017, the Prospectus Supplement

dated September 23, 2018 and the Product Supplement dated May 1, 2017

**US$[ ]**

**Buffered Autocallable Notes with Step Up Call Level and Call Amount due December 29, 2023**

**Linked to the Lesser Performing of the S&P 500® Index and the Russell 2000® Index**

- The notes will be automatically called, and we will pay to investors a Call Amount representing a return of 7.50% per annum, if the closing level of each of the S&P 500® Index and the Russell 2000® Index (each an "Underlying Asset") is greater than the applicable Call Level on an annual Observation Date during the term of the notes.
- The Call Level on the first Observation Date (occurring in December 2019) will be 102.50% of the Initial Level of each Underlying Asset, and the Call Level will increase by 2.50% each year, ending with a Call Level of 112.50% on the fifth and final Observation Date (occurring in December 2023).
- If the notes are not called on any Observation Date, including the final Observation Date, then at maturity:
  - if the Percentage Change of the Lesser Performing Underlying Asset is positive, you will participate on a one-for-one basis in the increase in its level;
  - if the Percentage Change of the Lesser Performing Underlying Asset is zero or negative, but has not decreased by more than 20% (that is, its Final Level is greater than its "Buffer Level"), you will receive the principal amount; and
  - if the Percentage Change of the Lesser Performing Underlying Asset is less than -20%, you will lose 1% of your principal amount for each 1% that the Final Level of that Lesser Performing Underlying Asset is less than its Buffer Level. Accordingly, investors in the notes may lose up to 80% of their principal at maturity.
- Any payment on the notes is subject to the credit risk of Bank of Montreal.
- The notes do not bear interest. The notes will not be listed on any securities exchange.
- The notes will be issued in minimum denominations of $1,000 and integral multiples of $1,000.
- The offering is expected to price on or about December 27, 2018, and the notes are expected to settle through the facilities of The Depository Trust Company on or about December 31, 2018.
- The CUSIP number of the notes is 06367WFN8
- Our subsidiary, BMO Capital Markets Corp. ("BMOCM"), is the agent for this offering. See "Supplemental Plan of Distribution (Conflicts of Interest)" below.
- The notes will not be subject to conversion into our common shares or the common shares of any of our affiliates under subsection 39.2(2.3) of the Canada Deposit Insurance Corporation Act (the "CDIC Act").

***Investing in the notes involves risks, including those described in the "Selected Risk Considerations" section beginning on page P-5 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-1 of the***

***prospectus supplement and on page 8 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 Deposit 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 $932.90 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 $905 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[(1)] | Agent's Commission[(1)] | Proceeds to Bank of Montreal |
|---|---|---|---|
| Per Note | US$1,000 | US$30 | US$970 |
| Total | US$ | US$ | US$ |

(1) Certain dealers who purchase the notes for sale to certain fee-based advisory accounts may forego some or all of their selling concessions, fees or commissions. The public offering price for investors purchasing the notes in these accounts may be between $970 and $1,000 per $1,000 in principal amount.

**BMO CAPITAL MARKETS**

**Key Terms of the Notes:**

| | |
|---|---|
| Underlying Assets: | The S&P 500® Index (ticker symbol: SPX) and the Russell 2000® Index (ticker symbol: RTY). See the section below entitled "The Underlying Assets" for additional information. |
| Interest Payments: | No interest will be payable on the notes. |
| Call Feature: | If, on any Observation Date, the closing level of each Underlying Asset is greater than its applicable Call Level, then the notes will be automatically called and the applicable Call Amount will be paid on the corresponding Call Settlement Date. The notes will not be called on an Observation Date if the closing level of one or both Underlying Assets is less than or equal to its Initial Level.<br><br>The Observation Dates, Call Settlement Dates, Call Levels and Call Amounts are set forth in the table below. |

Observation Dates/Call Settlement Dates/Call Levels/Call Amounts:

| **Observation Dates** | **Call Settlement Dates** | **Call Levels (as a % of the Initial Level)** | **Call Amounts** |
|---|---|---|---|
| December 23, 2019 | December 31, 2019 | 102.50% | $1,075 |
| December 23, 2020 | December 31, 2020 | 105.00% | $1,150 |
| December 23, 2021 | December 31, 2021 | 107.50% | $1,225 |
| December 22, 2022 | December 30, 2022 | 110.00% | $1,300 |
| December 21, 2023 (the "Valuation Date") | December 29, 2023 (the "Maturity Date") | 112.50% | $1,375 |

The dates in the table above are subject to postponement in the event of non-trading days, non-business days and market disruption events, as discussed in more detail in this document and in the product supplement.

| | |
|---|---|
| Call Return Rate: | The Call Amounts represent a return of 7.50% per annum. |
| Payment at Maturity: | If the notes are not called on any Observation Date, then the payment at maturity will depend upon the Final Level of the Lesser Performing Underlying Asset. |

(i) If the Percentage Change of the Lesser Performing Underlying Asset is positive (and because the notes are not called, is less than 112.50% of its Initial Level), then the payment at maturity for each $1,000 in principal amount of the notes will be calculated as follows:

Principal Amount + (Principal Amount × Percentage Change of the Lesser Performing Underlying Asset)

(ii) If the Final Level of the Lesser Performing Underlying Asset is less than or equal to its Initial Level, but is not less than its Buffer Level, then the payment at maturity will equal the principal amount of the notes.

(iii) If the Final Level of the Lesser Performing Underlying Asset is less than its Buffer Level, then the payment at maturity will be calculated as follows:

Principal Amount + [Principal Amount × (Percentage Change of the Lesser Performing Underlying Asset + Buffer Percentage)]

*If the Percentage Change of the Lesser Performing Underlying Asset is less than 20%, investors may lose up to 80% of the principal amount of the notes.*

Initial Level: The respective closing level of each of the Underlying Assets on the Pricing Date.

Final Level: The respective closing level of each of the Underlying Assets on the Valuation Date.

| | |
|---|---|
| Buffer Level: | 80.00% of the respective Initial Level for each of the Underlying Assets. |
| Buffer Percentage: | 20%. Accordingly, you will receive the principal amount of your notes at maturity only if the closing level of the Lesser Performing Underlying Asset does not decrease by more than 20%. If the Final Level of the Lesser Performing Underlying Asset is less than its Buffer Level, you will receive less than the principal amount of your notes at maturity, and you could lose up to 80% of the principal amount of your notes. |
| Lesser Performing Underlying Asset: | The Underlying Asset that has the lowest Percentage Change. |
| Percentage Change: | $\frac{\text{Final Level} - \text{Initial Level}}{\text{Initial Level}}$, expressed as a percentage. |
| Pricing Date: | On or about December 27, 2018. |
| Settlement Date: | On or about December 31, 2018, as determined on the pricing date. |
| Valuation Date and Maturity Date: | As set forth in the table above. |
| Calculation Agent: | BMOCM |
| Selling Agent: | BMOCM |
| CUSIP: | 06367WFN8 |

The Pricing Date and the Settlement Date are subject to change. The actual Pricing Date, Settlement Date, Observation Dates, Call Settlement Dates, Valuation Date and Maturity Date will be set forth in the final pricing supplement.

**Additional Terms of the Notes**

You should read this pricing supplement together with the product supplement dated May 1, 2017, the prospectus supplement dated September 23, 2018 and the prospectus dated September 23, 2018. **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 May 1, 2017: https://www.sec.gov/Archives/edgar/data/927971/000121465917002865/c427172424b5.htm
- Prospectus supplement dated September 23, 2018: https://www.sec.gov/Archives/edgar/data/927971/000119312518280416/d624491d424b5.htm
- Prospectus dated April 27, 2017: https://www.sec.gov/Archives/edgar/data/927971/000119312517142728/d254784d424b2.htm

Please note that references in the product supplement to the prospectus supplement will be deemed to refer to the prospectus supplement dated September 23, 2018.

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

We have filed a registration statement (including a prospectus) with the SEC for the offering to which this document relates. Before you invest, you should read the prospectus in that registration statement and the other documents that we have filed with the SEC for more complete information about us and this offering. You may obtain these documents free of charge by visiting the SEC's website at http://www.sec.gov. Alternatively, we will arrange to send to you the prospectus (as supplemented by the prospectus supplement and product supplement) if you request it by calling our agent toll-free at 1-877-369-5412.

**Selected Risk Considerations**

An investment in the notes involves significant risks. Investing in the notes is not equivalent to investing directly in the Underlying Assets. 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 minimum percentage of your principal that you are entitled to receive at maturity under the terms of the notes is only 20%. If the notes are not automatically called, the payment at maturity will be based on the Final Level of the Lesser Performing Underlying Asset, and whether that Final Level has declined from the Initial Level to a level that is less than the Buffer Level. You will lose 1.00% of the principal amount of your notes for each 1.00% that the Final Level of the Lesser Performing Underlying Asset is less than its Buffer Level. **Accordingly, you could lose up to 80.00% of the principal amount of the notes.**

- **Your return on the notes is limited by the Call Return Rate, regardless of any appreciation in the level of the Underlying Assets.** — The return on your notes on any Call Settlement Date (or at maturity) will not be greater than the return represented by the Call Return Rate. This will be the case even if the Percentage Change of the Lesser Performing Underlying Asset exceeds the return represented by the applicable Call Amount.

If the notes are not called, and the Final Level of the Lesser Performing Underlying Asset is greater than its Initial Level, you will receive a positive return on the notes. However, in such a scenario, your return on the notes will not exceed 112.50% of the principal amount. This is because if the Final Level of the Lesser Performing Asset was greater than 112.50% of the principal amount, the notes would have been called.

- **Your notes are subject to automatic early redemption.** — We will redeem the notes if the closing level of each Underlying Asset on any Observation Date is greater than the applicable Call Level. Following an automatic redemption, you may not be able to reinvest your proceeds in an investment with returns that are comparable to the notes.

- **The Call Level will increase over the term of the notes.** — The Call Level will increase by 2.50% on each Observation Date over the term of the notes. This feature makes it less likely that you will receive the benefit of the Call Amount, as compared to an instrument in which the Call Level remained at its Initial Level on each Observation Date. Similarly, if the level of one or both Underlying Assets decreases from the applicable Initial Level during the term of the notes, it will become less likely that the notes will be automatically called, since the level must rise to a greater extent in order for the notes to be automatically called. If the notes are not called, you are more likely to be subject to the risk of loss of a portion of your principal amount at maturity.

- **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 upon an automatic call or 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.

- **Your return on the notes will be determined solely by reference to the Lesser Performing Underlying Asset, even if the other Underlying Asset performs better. —** If the notes are not automatically called, your payment at maturity will only be determined by reference to the performance of the Lesser Performing Underlying Asset. Even if the other Underlying Asset has appreciated in value compared to its Initial Level, or has experienced a decline that is less than that of the Lesser Performing Underlying Asset, your return at maturity will only be determined by reference to the performance of the Lesser Performing Underlying Asset. Similarly, the notes will only be automatically called on an Observation Date if both Underlying Assets close at a level that is greater than the applicable Call Level.

- **Your return on the notes will be determined by reference to each Underlying Asset individually, not to a basket, and the payments on the notes will be based on the performance of the Lesser Performing Underlying Asset. —** The notes are not linked to a weighted basket, in which the risk may be mitigated and diversified among each of the basket components. For example, in the case of notes linked to a weighted basket, the return would depend on the weighted aggregate performance of the basket components reflected as the basket return. As a result, the depreciation of one basket component could be mitigated by the appreciation of the other basket component, as scaled by the weighting of that basket component. However, in the case of the notes, the individual performance of each Underlying Asset would not be combined, and the depreciation of an Underlying Asset would not be mitigated by any appreciation of the other Underlying Asset. Instead, if the notes are not automatically called, your return at maturity will depend solely on the Final Level of the Lesser Performing Underlying Asset.

- **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 Assets 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 levels of the Underlying Assets and, therefore, the market value of the notes and whether or not they are subject to an automatic call. 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 Assets. 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 underwriting discount and selling concessions, 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 preliminary 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 Assets, 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 underwriting discount and selling concessions 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 securities included in the Underlying Assets.** — Investing in your notes will not make you a holder of any shares of any company included in either of the Underlying Assets. 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.

- **An investment in the notes is subject to risks associated in investing in stocks with a small market capitalization.** — The RTY consists of stocks issued by companies with relatively small market capitalizations. These companies often have greater stock price volatility, lower trading volume and less liquidity than large-capitalization companies. As a result, the level of the RTY may be more volatile than that of a market measure that does not track solely small-capitalization stocks. Stock prices of small-capitalization companies are also generally more vulnerable than those of large-capitalization companies to adverse business and economic developments, and the stocks of small-capitalization companies may be thinly traded, and be less attractive to many investors if they do not pay dividends. In addition, small capitalization companies are typically less well-established and less stable financially than large-capitalization companies and may depend on a small number of key personnel, making them more vulnerable to loss of those individuals. Small capitalization companies tend to have lower revenues, less diverse product lines, smaller shares of their target markets, fewer financial resources and fewer competitive strengths than large-capitalization companies. These companies may also be more susceptible to adverse developments related to their products or services.

P-6

- **Changes that affect an Underlying Asset may adversely affect the market value of the notes and the payments on the notes.** — The policies of S&P Dow Jones Indices LLC ("S&P"), the sponsor of the SPX, and FTSE Russell, the sponsor of the RTY (each, an "Index Sponsor"), concerning the calculation of the applicable Underlying Asset, additions, deletions or substitutions of the components of the applicable Underlying Asset and the manner in which changes affecting those components, such as stock dividends, reorganizations or mergers, may be reflected in the applicable Underlying Asset and, therefore, could affect the level of the applicable Underlying Asset, the amounts payable on the notes, and the market value of the notes prior to maturity. The amounts payable on the notes and their market value could also be affected if either Index Sponsor changes these policies, for example, by changing the manner in which it calculates the applicable Underlying Asset, or if either Index Sponsor discontinues or suspends the calculation or publication of the applicable Underlying Asset.

- **We have no affiliation with either Index Sponsor and will not be responsible for any actions taken by either Index Sponsor.** — Neither Index Sponsor is an affiliate of ours or will be involved in the offering of the notes in any way. Consequently, we have no control over the actions of either Index Sponsor, including any actions of the type that would require the calculation agent to adjust the payment to you on the notes. Neither Index Sponsor has any obligation of any sort with respect to the notes. Thus, neither Index Sponsor has any 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 either Index Sponsor.

- **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 Assets, or futures or options relating to the Underlying Assets, or other derivative instruments with returns linked or related to changes in the performance of the Underlying Assets. 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 whether the notes are automatically called, or our payment to you at maturity.

- **Many economic and market factors will influence the value of the notes.** — In addition to the levels of the Underlying Assets 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 Assets.** — 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 Assets or the prices of the securities included in the Underlying Assets. One or more of our affiliates have published, and in the future may publish, research reports that express views on the Underlying Assets 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 Assets at any time may have significantly different views from those of our affiliates. You are encouraged to derive information concerning each of the Underlying Assets 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 an automatic call or maturity and whether all or part of the gain a holder may recognize upon sale, an automatic call or at 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 entitled “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 Examples**

The table set out below is included for illustration purposes only. The table illustrates payment upon an automatic call and at maturity for a hypothetical range of performance for the Lesser Performing Underlying Asset, assuming the following terms:

| | |
|---|---|
| Hypothetical Initial Level (for each Underlying Asset): | 1,000.00* |
| Hypothetical Buffer Level (for each Underlying Asset): | 800.00, which is 80% of the hypothetical Initial Level |
| Principal Amount: | $1,000 per note |
| Call Return Rate: | 7.50% per annum |
| Call Levels: | 102.50% of the Initial Level on the first Observation Date, increasing by 2.50% on each subsequent Observation Date, as set forth in the table above. |
| Call Amounts: | $1,075 if called on the first Observation Date, increasing by $75 on each subsequent Observation Date, as set forth in the table above. |

* The hypothetical Initial Level of 1,000 used in the examples below has been chosen for illustrative purposes only and does not represent the actual Initial Level of any Underlying Asset. The actual Initial Level for each Underlying Asset will be set forth in the final pricing supplement relating to the notes. ***We make no representation or warranty as to which of the Underlying Assets will be the Lesser Performing Underlying Asset. It is possible that the Final Level of each Underlying Asset will be less than its Initial Level.***

Summary of the Hypothetical Examples

| | Call Level (as a % of Initial Level) | Notes are Called on an Observation Date | | | | | | Notes Are Not Called on Any Observation Date | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | **Example 1** | | **Example 2** | | **Example 3** | | **Example 4** | | **Example 5** | | **Example 6** | |
| | | SPX | RTY | SPX | RTY | SPX | RTY | SPX | RTY | SPX | RTY | SPX | RTY |
| Initial Level | | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| Closing Level on the First Observation Date | 102.50% | 1,250 | 1,300 | 1,005 | 900 | 900 | 1,050 | 880 | 805 | 980 | 805 | 980 | 805 |

| | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Closing Level on the Second Observation Date | 105.00% | N/A | N/A | 1,125 | 1,100 | 850 | 1,200 | 780 | 900 | 780 | 1,100 | 780 | 1,100 |
| Closing Levels on the Third and Fourth Observation Dates | 107.50%/110.00% | N/A | N/A | N/A | N/A | 850 | 1,200 | 780 | 900 | 780 | 1,100 | 840 | 1,100 |
| Closing Level on the Final Observation Date | 112.50% | N/A | N/A | N/A | N/A | 1,200 | 1,500 | 850 | 1,200 | 600 | 1,120 | 1,030 | 1,020 |
| Percentage Change of the Underlying Assets | | N/A | N/A | N/A | N/A | N/A | N/A | -15% | 20% | -40% | 12% | 3% | 2% |
| Percentage Change of the Lesser Performing Underlying Asset | | N/A | | N/A | | N/A | | -15% | | -40% | | 2% | |
| Call Amount | | $1,075 | | $1,150 | | $1,375 (paid on the Maturity Date) | | N/A | | N/A | | N/A | |
| Payment at Maturity (if not previously called) | | N/A | | N/A | | N/A | | $1,000 | | $800 | | $1,020 | |

P-9

**Hypothetical Examples of Amounts Payable Upon an Automatic Call**

The following hypothetical examples illustrate payments of the Call Amounts set forth in the table in the "Summary" table above upon an automatic call.

**Example 1: The closing level of the Lesser Performing Underlying Asset increases by 25% from the Initial Level to a closing level of 1,250 on the first Observation Date.** Because the closing level of each Underlying Asset on the first Observation Date is greater than its Call Level, the investor receives on the first Call Settlement Date a cash payment of $1,075, representing the corresponding hypothetical Call Amount. After the notes are called, they will no longer remain outstanding and there will be no further payments on the notes.

**Example 2: The closing level of the Lesser Performing Underlying Asset decreases by 10% from the Initial Level to a closing level of 900 on the first Observation Date, but the closing level of the Lesser Performing Underlying Asset increases by 10% from the Initial Level to a closing level of 1,100 on the second Observation Date**. Because the notes are not called on the first Observation Date and the closing level of each Underlying Asset on the second Observation Date is greater than its Call Level, the investor receives on the second Call Settlement Date a cash payment of $1,150, representing the corresponding hypothetical Call Amount. After the notes are called, they will no longer remain outstanding and there will be no further payments on the notes.

**Example 3: The notes are not called on any of the Observation Dates other than the final Observation Date and the closing level of the Lesser Performing Underlying Asset increases by 20% from the Initial Level to its Final Level of 1,200 on the Valuation Date**. Because the notes are not called on any of the preceding Observation Dates and the closing level of each Underlying Asset on the Valuation Date is greater than its Call Level, the investor receives on the Maturity Date a cash payment of $1,375, representing the corresponding hypothetical Call Amount.

**Hypothetical Examples of Amounts Payable at Maturity**

The following hypothetical examples illustrate how the payments at maturity set forth in the table above are calculated, **assuming the notes have not been automatically called**.

**Example 4: The closing level of the Lesser Performing Underlying Asset decreases by 15% from the Initial Level to its Final Level of 850 on the Valuation Date**. The notes are not called on any Observation Date because the closing level of at least one Underlying Asset is below its Call Level on each Observation Date (including the

Valuation Date). Because the Final Level of the Lesser Performing Underlying Asset is less than its Initial Level but greater than its Buffer Level, the investor receives at maturity, a cash payment of $1,000 per note, despite the decline in the closing level of the Lesser Performing Underlying Asset.

**Example 5: The closing level of the Lesser Performing Underlying Asset decreases by 40% from the Initial Level to its Final Level of 600 on the Valuation Date, which is less than its Buffer Level**. The notes are not called on any Observation Date because the closing level of at least one Underlying Asset is below its Call Level on each Observation Date (including the Valuation Date). Because the Final Level of the Lesser Performing Underlying Asset is less than its Initial Level as well as its Buffer Level, the investor receives at maturity, a cash payment of $800 per note, calculated as follows:

Principal Amount + [Principal Amount × (Percentage Change of the Lesser Performing Underlying Asset + Buffer Percentage)]

= $1,000 + [$1,000 x (-40% + 20%)] = $1,000 - $200 = $800

**Example 6: The closing level of the Lesser Performing Underlying Asset increases by 2% from the Initial Level to its Final Level of 1,020 on the Valuation Date, which is greater than its Initial Level**. The notes are not called on any Observation Date because the closing level of at least one Underlying Asset is below its Call Level on each Observation Date (including the Valuation Date). Because the Final Level of the Lesser Performing Underlying Asset is greater than its Initial Level, the investor receives at maturity, a cash payment of $1,020 per note, calculated as follows:

Principal Amount + (Principal Amount × Percentage Change of the Lesser Performing Underlying Asset)

= $1,000 + ($1,000 x 2%) = $1,000 + $20 = $1,020

* * *

The payments shown above are entirely hypothetical; they are based on levels of the Underlying Assets that may not be achieved and on assumptions that may prove to be erroneous. The actual market value of your notes on the Maturity Date or at any other time, including any time you may wish to sell your notes, may bear little relation to the hypothetical payments at maturity shown above, and those amounts should not be viewed as an indication of the financial return on an investment in the notes or on an investment in the securities included in any Underlying Asset.

**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, except that the following disclosure supplements, and to the extent inconsistent supersedes, the discussion in the product supplement. The discussions below and in the accompanying product supplement do not apply to holders subject to special rules including holders subject to Section 451(b) of the Code.

Under current Internal Revenue Service guidance, withholding on "dividend equivalent" payments (as discussed in the product supplement), if any, will not apply to notes that are issued as of the date of this pricing supplement unless such notes are "delta-one" instruments. Based on our determination that the notes are not delta-one instruments, non-U.S. holders should not generally be subject to withholding on dividend equivalent payments, if any, under 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 receive a commission from BMOCM, which will not exceed the commission set forth on the cover page.

Certain dealers who purchase the notes for sale to certain fee-based advisory accounts may forego some or all of their selling concessions, fees or commissions. The public offering price for investors purchasing the notes in these accounts may be less than 100% of the principal amount, as set forth on the cover page of this document. Investors that hold their notes in these accounts may be charged fees by the investment advisor or manager of that account based on the amount of assets held in those accounts, including the notes.

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 Assets 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 the final pricing supplement relating to the notes in the initial sale of the notes. In addition, BMOCM or another of our affiliates may use the final 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, the final 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 and applicable 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 underwriting discount and 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.

No Prospectus (as defined in Directive 2003/71/EC, as amended (the “Prospectus Directive”)) will be prepared in connection with the notes. Accordingly, the notes may not be offered to the public in any member state of the European Economic Area (the “EEA”), and any purchaser of the notes who subsequently sells any of the notes in any EEA member state must do so only in accordance with the requirements of the Prospectus Directive, as implemented in that member state.

The notes are not intended to be offered, sold or otherwise made available to, and should not be offered, sold or otherwise made available to, any retail investor in the EEA. For these purposes, the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the notes to be offered so as to enable an investor to decide to purchase or subscribe the notes, and a "retail investor" means a person who is one (or more) of: (a) a retail client, as defined in point (11) of Article 4(1) of Directive 2014/65/EU, as amended ("MiFID II"); or (b) a customer, within the meaning of Insurance Distribution Directive 2016/97/EU, as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (c) not a qualified investor as defined in the Prospectus Directive. Consequently, no key information document required by Regulation (EU) No 1286/2014, as amended (the "PRIIPs Regulation"), for offering or selling the notes or otherwise making them available to retail investors in the EEA has been prepared, and therefore, offering or selling the notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**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.