HORMATS ROBERT D
Form 4
March 13, 2018

FORM 4

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL

OMB Number:	3235-0287
Expires:	January 31, 2005
Estimated average burden hours per response...	0.5

(Print or Type Responses)

1. Name and Address of Reporting Person *	2. Issuer Name **and** Ticker or Trading Symbol	5. Relationship of Reporting Person(s) to Issuer
HORMATS ROBERT D (Last) (First) (Middle)	AMERICAN TOWER CORP /MA/ [AMT]	(Check all applicable)
116 HUNTINGTON AVENUE (Street)	3. Date of Earliest Transaction (Month/Day/Year) 03/12/2018	__X__ Director _____ 10% Owner _____ Officer (give title below) _____ Other (specify below)
BOSTON, MA 02116 (City) (State) (Zip)	4. If Amendment, Date Original Filed(Month/Day/Year)	6. Individual or Joint/Group Filing(Check Applicable Line) _X_ Form filed by One Reporting Person ___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	03/12/2018		A		1,241 (1)	A	$ 0	5,097	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Own Follo Repo Trans (Instr
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares		

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
HORMATS ROBERT D 116 HUNTINGTON AVENUE BOSTON, MA 02116	X			

Signatures

/s/ Mneesha O. Nahata, as attorney-in-fact	03/13/2018
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) These restricted stock units ("RSUs") were granted pursuant to the 2007 Equity Incentive Plan, as amended, and vest on March 12, 2019. Each RSU represents a contingent right to receive one share of Common Stock.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.

">$54.46$29.14$25.32-7.01%15159.1-4.0%0.96$0.0007$0.0156-$0.0014$50.64$24.31$26.333.99%16120.9-24.0%0.76$0.000

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Example 5: The Index level increases and decreases in a volatile manner, ending at the same level.

Assumptions

Fee Rate	0.95% per annum
Daily Deposit Factor	2
Daily Interest Rate	-1.00%
Principal Amount	$50.00
Initial Index Level	100
Note Return	-7.70%
Cumulative Index Return	-0.02%

Day	Index Level	Daily Index Performance	Index Performance Factor	Daily Investor Fee	Fee Accrual	Daily Interest	Deposit Amount	Short Index Amount	Indicative Note Value	Note Return
A	B	C	D	E	F	G	H	I	J	K
	Previous Index Level * (1+C)		Current Index Level / Previous Index Level	Previous Indicative Note Value * Fee Rate/365	Total of E	Previous Indicative Note Value * Daily Deposit Factor * Daily Interest Rate/365	(Previous Indicative Note Value * Daily Deposit Factor) + G - E	(Previous Indicative Note Value * D)	H - I	(Current Indicative Note Value - Previous Indicative Note Value)/ Previous Indicative Note Value
0	100.0						$100.00	$50.00	$50.00	0.00%
1	102.0	2.0%	1.02	$0.0013	$0.0013	-$0.0027	$100.00	$51.00	$49.00	-2.01%
2	105.1	3.0%	1.03	$0.0013	$0.0026	-$0.0027	$97.99	$50.47	$47.52	-3.01%
3	109.3	4.0%	1.04	$0.0012	$0.0038	-$0.0026	$95.04	$49.42	$45.62	-4.01%
4	98.3	-10.0%	0.90	$0.0012	$0.0050	-$0.0025	$91.23	$41.06	$50.18	9.99%
5	100.3	2.0%	1.02	$0.0013	$0.0063	-$0.0027	$100.35	$51.18	$49.17	-2.01%
6	103.3	3.0%	1.03	$0.0013	$0.0076	-$0.0027	$98.33	$50.64	$47.69	-3.01%
7	93.0	-10.0%	0.90	$0.0012	$0.0088	-$0.0026	$95.37	$42.92	$52.45	9.99%
8	94.8	2.0%	1.02	$0.0014	$0.0102	-$0.0029	$104.90	$53.50	$51.40	-2.01%
9	96.7	2.0%	1.02	$0.0013	$0.0115	-$0.0028	$102.80	$52.43	$50.37	-2.01%
10	87.1	-10.0%	0.90	$0.0013	$0.0128	-$0.0028	$100.73	$45.33	$55.40	9.99%
11	88.8	2.0%	1.02	$0.0014	$0.0143	-$0.0030	$110.80	$56.51	$54.29	-2.01%
12	90.6	2.0%	1.02	$0.0014	$0.0157	-$0.0030	$108.57	$55.37	$53.20	-2.01%

13	81.5	-10.0%	0.90	$0.0014	$0.0171	-$0.0029	$106.39	$47.88	$58.51	9.99%
14	83.2	2.0%	1.02	$0.0015	$0.0186	-$0.0032	$117.02	$59.68	$57.34	-2.01%
15	84.8	2.0%	1.02	$0.0015	$0.0201	-$0.0031	$114.67	$58.49	$56.19	-2.01%
16	76.3	-10.0%	0.90	$0.0015	$0.0216	-$0.0031	$112.37	$50.57	$61.80	9.99%
17	77.9	2.0%	1.02	$0.0016	$0.0232	-$0.0034	$123.60	$63.04	$60.56	-2.01%
18	79.4	2.0%	1.02	$0.0016	$0.0247	-$0.0033	$121.12	$61.77	$59.34	-2.01%
19	81.0	2.0%	1.02	$0.0015	$0.0263	-$0.0033	$118.68	$60.53	$58.15	-2.01%
20	89.1	10.0%	1.10	$0.0015	$0.0278	-$0.0032	$116.30	$63.97	$52.33	-10.01%
21	90.9	2.0%	1.02	$0.0014	$0.0292	-$0.0029	$104.66	$53.38	$51.28	-2.01%
22	100.0	10.0%	1.10	$0.0013	$0.0305	-$0.0028	$102.56	$56.41	$46.15	-10.01%

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Table 1: Expected return on the notes over one year of Index performance, without giving effect to the Daily Investor Fee and the Daily Interest and assuming a constant drift and volatility over time.

One Year Index Performance	Inverse (-1x) of the One Year Index Performance	One Year Index Volatility 0%	5%	10%	15%	20%	25%	30%	35%	40%	45%	50%	55%
-75%	75%	300.00%	299.00%	296.02%	291.10%	284.32%	275.77%	265.57%	253.88%	240.86%	226.67%	211.52%	195.5
-70%	70%	233.33%	232.50%	230.02%	225.92%	220.26%	213.14%	204.64%	194.90%	184.05%	172.23%	159.60%	146.3
-65%	65%	185.71%	185.00%	182.87%	179.36%	174.51%	168.40%	161.12%	152.77%	143.47%	133.34%	122.51%	111.1
-60%	60%	150.00%	149.38%	147.51%	144.44%	140.20%	134.85%	128.48%	121.18%	113.04%	104.17%	94.70%	84.74
-55%	55%	122.22%	121.67%	120.01%	117.28%	113.51%	108.76%	103.10%	96.60%	89.37%	81.49%	73.07%	64.22
-50%	50%	100.00%	99.50%	98.01%	95.55%	92.16%	87.88%	82.79%	76.94%	70.43%	63.34%	55.76%	47.79
-45%	45%	81.82%	81.36%	80.01%	77.77%	74.69%	70.80%	66.17%	60.86%	54.94%	48.49%	41.60%	34.36
-40%	40%	66.67%	66.25%	65.01%	62.96%	60.13%	56.57%	52.32%	47.45%	42.02%	36.11%	29.80%	23.16
-35%	35%	53.85%	53.46%	52.32%	50.42%	47.81%	44.53%	40.60%	36.11%	31.10%	25.64%	19.82%	13.69
-30%	30%	42.86%	42.50%	41.44%	39.68%	37.26%	34.20%	30.56%	26.39%	21.73%	16.67%	11.26%	5.57%
-25%	25%	33.33%	33.00%	32.01%	30.37%	28.11%	25.26%	21.86%	17.96%	13.62%	8.89%	3.84%	-1.47
-20%	20%	25.00%	24.69%	23.76%	22.22%	20.10%	17.43%	14.24%	10.59%	6.52%	2.09%	-2.65%	-7.63
-15%	15%	17.65%	17.35%	16.48%	15.03%	13.03%	10.52%	7.52%	4.08%	0.25%	-3.92%	-8.38%	-13.0
-10%	10%	11.11%	10.83%	10.01%	8.64%	6.75%	4.38%	1.55%	-1.70%	-5.32%	-9.26%	-13.47%	-17.8
-5%	5%	5.26%	5.00%	4.22%	2.92%	1.14%	-1.11%	-3.80%	-6.87%	-10.30%	-14.03%	-18.02%	-22.2
0%	0%	0.00%	-0.25%	-1.00%	-2.22%	-3.92%	-6.06%	-8.61%	-11.53%	-14.79%	-18.33%	-22.12%	-26.1
5%	-5%	-4.76%	-5.00%	-5.71%	-6.88%	-8.50%	-10.53%	-12.96%	-15.74%	-18.84%	-22.22%	-25.83%	-29.6
10%	-10%	-9.09%	-9.32%	-10.00%	-11.11%	-12.66%	-14.60%	-16.92%	-19.57%	-22.53%	-25.76%	-29.20%	-32.8
15%	-15%	-13.04%	-13.26%	-13.91%	-14.98%	-16.45%	-18.31%	-20.53%	-23.07%	-25.90%	-28.98%	-32.28%	-35.7
20%	-20%	-16.67%	-16.87%	-17.50%	-18.52%	-19.93%	-21.72%	-23.84%	-26.27%	-28.99%	-31.94%	-35.10%	-38.4
25%	-25%	-20.00%	-20.20%	-20.80%	-21.78%	-23.14%	-24.85%	-26.89%	-29.22%	-31.83%	-34.67%	-37.70%	-40.8
30%	-30%	-23.08%	-23.27%	-23.84%	-24.79%	-26.09%	-27.74%	-29.70%	-31.95%	-34.45%	-37.18%	-40.09%	-43.1
35%	-35%	-25.93%	-26.11%	-26.66%	-27.57%	-28.83%	-30.41%	-32.30%	-34.47%	-36.88%	-39.50%	-42.31%	-45.2
40%	-40%	-28.57%	-28.75%	-29.28%	-30.16%	-31.37%	-32.90%	-34.72%	-36.81%	-39.13%	-41.67%	-44.37%	-47.2
45%	-45%	-31.03%	-31.21%	-31.72%	-32.57%	-33.74%	-35.21%	-36.97%	-38.99%	-41.23%	-43.68%	-46.29%	-49.0
50%	-50%	-33.33%	-33.50%	-34.00%	-34.82%	-35.95%	-37.37%	-39.07%	-41.02%	-43.19%	-45.55%	-48.08%	-50.7
55%	-55%	-35.48%	-35.64%	-36.13%	-36.92%	-38.01%	-39.39%	-41.04%	-42.92%	-45.02%	-47.31%	-49.75%	-52.3
60%	-60%	-37.50%	-37.66%	-38.12%	-38.89%	-39.95%	-41.29%	-42.88%	-44.71%	-46.74%	-48.96%	-51.32%	-53.8
65%	-65%	-39.39%	-39.55%	-40.00%	-40.74%	-41.77%	-43.07%	-44.61%	-46.38%	-48.35%	-50.50%	-52.80%	-55.2
70%	-70%	-41.18%	-41.32%	-41.76%	-42.49%	-43.48%	-44.74%	-46.24%	-47.96%	-49.87%	-51.96%	-54.19%	-56.5
75%	-75%	-42.86%	-43.00%	-43.43%	-44.13%	-45.10%	-46.32%	-47.78%	-49.45%	-51.31%	-53.33%	-55.50%	-57.7

Shaded areas represent those scenarios where the notes will be equal to or outperform (i.e., return more than) the index performance; conversely areas not shaded represent those scenarios where the notes will

underperform (i.e., return less than) the index performance.

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Hypothetical Examples

We cannot predict the actual Index level on any Index Business Day or the market value of the notes, nor can we predict the relationship between the Index level and the market value of your notes at any time prior to the Maturity Date. The actual amount that a holder of the notes will receive at maturity or call, or upon early redemption, as the case may be, and the rate of return on the notes will depend on the actual Index Closing Levels during the term of the notes and during the Final Measurement Period or Call Measurement Period, or on a Redemption Measurement Date, the Daily Investor Fee, Index volatility and any Redemption Fee Amount. Moreover, the assumptions on which the hypothetical returns are based are purely for illustrative purposes. Consequently, the amount, in cash, to be paid in respect of your notes, if any, on the Maturity Date, Call Settlement Date or the relevant Redemption Date, as applicable, may be very different from the information reflected in the tables above.

The hypothetical examples and table are not indicative of the future performance of the Index on any Index Business Day, the Index Closing Levels during the Final Measurement Period or Call Measurement Period, or on a Redemption Measurement Date, or what the value of your notes may be. Fluctuations in the hypothetical examples may be greater or less than fluctuations experienced by the holders of the notes. The information shown above is for illustrative purposes only and does not represent the actual future performance of the notes.

SPECIFIC TERMS OF THE NOTES

In this section, references to "holders" mean those who own the notes registered in their own names, on the books that we or the trustee maintains for this purpose, and not those who own beneficial interests in the notes registered in street name or in the notes issued in book-entry form through DTC or another depositary. Owners of beneficial interests in the notes should read the section entitled "Description of Debt Securities We May Offer — Legal Ownership and Book-Entry Issuance" in the accompanying prospectus.

The notes are part of a series of debt securities entitled "Senior Medium-Term Notes, Series E" that we may issue from time to time under the indenture more particularly described in the accompanying prospectus supplement. This pricing supplement summarizes specific financial and other terms that apply to the notes. Terms that apply generally to all Senior Medium-Term Notes, Series E are described in "Description of the Notes We May Offer" in the accompanying prospectus supplement and "Description of Debt Securities We May Offer" in the accompanying prospectus. The terms described in this pricing supplement those described in the accompanying prospectus supplement and prospectus and, if the terms described here are inconsistent with those described there, the terms described here are controlling.

The notes are issued under our senior indenture dated as of January 25, 2010 between us and Wells Fargo Bank, National Association, as trustee, as amended and supplemented to date.

Please note that the information about the price to the public and the net proceeds to us on the front cover of this prospectus supplement relates only to the initial sale of the notes. If you have purchased the notes in a secondary market transaction after the initial sale, information about the price and date of sale to you will be provided in a separate confirmation of sale.

We or our affiliates may, at any time and from time to time, purchase outstanding notes in the open market, by private agreement or in other transactions.

Cash Settlement Amount at Maturity

The "Maturity Date" will be March 25, 2039, which is scheduled to be the third Business Day following the last Index Business Day in the Final Measurement Period, unless that day is not a Business Day, in which case the Maturity Date will be the following Business Day, subject to adjustment as described below under "— Market Disruption Events." The Maturity Date may be extended at our option for up to two additional five-year periods. We may only extend the scheduled Maturity Date for five years at a time. If we exercise our option to extend the maturity, we will notify DTC and the trustee at least 45 but not more than 60 calendar days prior to the then scheduled Maturity Date. We will provide that notice to DTC and the trustee in respect of each five-year extension of the scheduled Maturity Date.

For each note, unless earlier called or redeemed, you will receive at maturity a cash payment equal to the arithmetic mean of the closing Indicative Note Values on each Index Business Day in the Final Measurement Period. We refer to this cash payment as the "Cash Settlement Amount." This amount will not be less than zero.

On the Initial Trade Date, the Indicative Note Value of each note will equal the Principal Amount of $50. On any subsequent Exchange Business Day until maturity, call or redemption of the notes, the closing Indicative Note Value will equal (a) the Deposit Amount on such Exchange Business Day minus (b) the Short Index Amount on such Exchange Business Day; provided that if such calculation results in a value equal to or less than $0, the closing Indicative Note Value will be $0. If the closing Indicative Note Value of the notes is $0 on any Exchange Business Day or the Intraday Indicative Value at any time during an Exchange Business Day is equal to or less than $0, then the Indicative Note Value of the notes on all future Exchange Business Days will be $0 and the Cash Settlement Amount will be zero.

On the Initial Trade Date, the Deposit Amount will equal the principal amount *plus* the Short Index Amount on the Initial Trade Date, which sum equals $100. On any subsequent Exchange Business Day until maturity, call or redemption of the notes, the Deposit Amount will equal (a) the closing Indicative Note Value on the immediately preceding Exchange Business Day *times* the Daily Deposit Factor *plus* (b) the Daily Interest on such Exchange Business Day *minus* (c) the Daily Investor Fee on such Exchange Business Day.

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On the Initial Trade Date, the Short Index Amount will equal the principal amount, which equals $50. On any subsequent Exchange Business Day until maturity, call or redemption of the notes, the Short Index Amount will equal the product of (a) the closing Indicative Note Value on the immediately preceding Exchange Business Day *times* (b) the Index Performance Factor on such Exchange Business Day.

The Daily Deposit Factor is 2.

On the Initial Trade Date, the Index Performance Factor will be 1. On any subsequent Exchange Business Day until maturity, call or redemption of the notes, the Index Performance Factor will equal (a) the Index Closing Level on such Exchange Business Day (or, if such day is not an Index Business Day, the Index Closing Level on the immediately preceding Index Business Day) *divided by* (b) the Index Closing Level on the immediately preceding Index Business Day, as determined by the Calculation Agent. If a Market Disruption Event occurs or is continuing on any Index Business Day, the Calculation Agent will determine the Index Performance Factor for the notes on each such Index Business Day using an appropriate closing level of the Index for each such Index Business Day taking into account the nature and duration of such Market Disruption Event. Furthermore, if a Market Disruption Event occurs and is continuing with respect to the notes on any Index Business Day or occurred or was continuing on the immediately preceding Index Business Day, the calculation of the Index Performance Factor will be modified so that the applicable exposure does not reset until the first Index Business Day on which no Market Disruption Event with respect to the notes is continuing.

Accordingly, if a Market Disruption Event with respect to the notes occurs or is continuing on any Index Business Day (for purposes of this paragraph, the “date of determination”) or if a Market Disruption Event with respect to the notes occurred or was continuing on the Index Business Day immediately preceding the date of determination, then the Index Performance Factor for the notes on the date of determination will equal one plus the quotient of (a) the difference of (i) the closing level of the Index on the date of determination, minus (ii) the closing level of the Index on the Index Business Day immediately preceding the date of determination, divided by (b) the difference of (i) the product of the Daily Deposit Factor and the closing level of the Index on the Index Business Day on which no Market Disruption Event occurred or was continuing that most closely precedes the date of determination, minus (ii) the closing level of the Index on the Index Business Day immediately preceding the date of determination.

On the Initial Trade Date, the Daily Interest will be $0. On any subsequent Exchange Business Day until maturity, call or redemption of the notes, the Daily Interest will equal the product of (a) the closing Indicative Note Value on the immediately preceding Exchange Business Day *times* (b) the Daily Deposit Factor *times* (c) the Daily Interest Rate *divided by* (d) 365 *times* (e) the number of calendar days since the last Exchange Business Day. Because the Daily Interest is calculated and added to the Deposit Amount on a daily basis, the net effect of the Daily Interest accrues over time. The Daily Interest Rate will vary in time and can become negative on certain days. On such days, the Daily Interest will also be negative.

The Daily Interest Rate will equal (a) the most recent US Federal Funds Effective Rate *minus* (b) 1.00%. The US Federal Funds Effective Rate is an interest rate that represents the rate at which U.S. banks may lend reserve balances to other depository institutions overnight, on an uncollateralized basis. The rate is released by the NY Federal Reserve each day at approximately 9:00 a.m. EST for the prior business day and published on Bloomberg page "FEDL01 Index". If the Calculation Agent determines that this rate is no longer published or available, the Calculation Agent may substitute a successor rate, with any applicable adjustments, as it reasonably determines to be appropriate under the circumstances. On the days when the US Federal Funds Effective Rate is lower than 1.00%, the Daily Interest Rate will be negative.

On the Initial Trade Date, the Daily Investor Fee will be $0. On any subsequent Exchange Business Day until maturity, call or redemption of the notes, the Daily Investor Fee will equal the product of (a) the Indicative Note Value at the close of the immediately preceding Exchange Business Day *times* (b) the Fee Rate *divided by* (c) 365 *times* (d) the number of calendar days since the last Exchange Business Day. Because the Daily Investor Fee is subtracted from the Deposit Amount, and the Deposit Amount is calculated as part of the closing Indicative Note Value on a daily basis, the net effect of the Daily Investor Fee accumulates over time and is subtracted at a rate per year equal to the Fee Rate. Because the net effect of the Daily Investor Fee is a fixed percentage of the value of the note, the aggregate effect of the Daily Investor Fee will increase or decrease in a manner directly proportional to the value of the note and the amount of notes that are held.

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The Fee Rate is 0.95% per annum.

The “Principal Amount” of each note is $50.

You may lose some or all of your investment at maturity. Because the Daily Investor Fee and any negative Daily Interest reduce your final payment, the level of the Index will need to have decreased over the term of the notes in an amount, after giving effect to daily compounding, sufficient to offset the decrease in principal amount represented by the Daily Investor Fee and any negative Daily Interest in order for you to receive an aggregate amount over the term of the notes equal to at least the principal amount of your notes. Due to compounding, the notes are very sensitive to changes in the level of the Index and the path of such changes. If the decrease in the level of the Index, measured as a component of the closing Indicative Note Value during the Final Measurement Period, is insufficient to offset the cumulative negative effect of the Daily Investor Fee and any negative Daily Interest, you will lose some or all of your investment at maturity. This loss may occur even if the Index Closing Level at any time during the Final Measurement Period is less than the Index Closing Level on the Initial Trade Date. **It is possible that you will suffer significant losses in the notes even if the long-term performance of the Index is flat or negative (before taking into account the negative effect of the Daily Investor Fee and the Daily Interest).** In addition, if the closing Indicative Note Value or the Intraday Indicative Value of the notes is equal to or less than $0, then the notes will be permanently worth $0 and the Cash Settlement Amount will be zero (a total loss of value).

The “Initial Index Level” is 1,975.35, which was the Index Closing Level for the Index on the Initial Trade Date.

The “Final Measurement Period” means the five Index Business Days from and including the Calculation Date, subject to adjustment as described under “— Market Disruption Events.”

The “Index Calculation Agent” means the entity that calculates and publishes the level of the Index, which is currently Solactive AG.

The “Calculation Date” means March 16, 2039, unless such day is not an Index Business Day, in which case the Calculation Date will be the next Index Business Day, subject to adjustments.

“Index Business Day” means any day on which the Index Sponsor publishes the Index Closing Level.

“Primary Exchange” means, with respect to each Index constituent or each component underlying a successor index, the primary exchange or market of trading such Index constituent or such component underlying a successor index.

“Related Exchange” means, with respect to each Index constituent or each component underlying a successor index, each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Index constituent or such component underlying a successor index.

“Exchange Business Day” means any day on which the primary exchange or market for trading of the notes is scheduled to be open for trading.

“Business Day” means a Monday, Tuesday, Wednesday, Thursday or Friday that is neither a legal holiday nor a day on which banking institutions are authorized or obligated by law or executive order to close in New York City or Toronto.

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Early Redemption at the Option of the Holders

Subject to your compliance with the procedures described below, you may submit a request on any Business Day to elect to require us to redeem your notes (subject to a minimum redemption amount of at least 25,000 notes) between and including the Redemption Dates specified below. If you so elect and have done so in compliance with the redemption procedures described below, and subject to the postponements and adjustments described under "— Market Disruption Events," you will receive payment for the redeemed notes on the applicable Redemption Date. You must comply with the redemption procedures described below in order to redeem your notes. For any applicable redemption request, the "Redemption Notice Date" will be the date that the applicable Redemption Notice and Redemption Confirmation (each as defined below) are delivered. If such Redemption Notice or Redemption Confirmation is delivered on a day that is not an Index Business Day, then the Redemption Notice Date shall be the next Index Business Day. To satisfy the minimum redemption amount, your broker or other financial intermediary may bundle your notes for redemption with those of other investors to reach this minimum amount of 25,000 notes; however, there can be no assurance that they can or will do so. We may from time to time in our sole discretion reduce this minimum redemption amount. Any such reduction will be applied on a consistent basis for all holders of the notes at the time the reduction becomes effective.

The notes will be redeemed and the holders will receive payment for their notes on the third Business Day following the applicable Redemption Measurement Date (the "Redemption Date"). The first Redemption Date will be April 8, 2019, and the final Redemption Date will be the last scheduled Index Business Day prior to the Calculation Date or Call Calculation Date, as applicable. If a Market Disruption Event is continuing or occurs on the applicable scheduled Redemption Measurement Date with respect to any of the Index constituents, such Redemption Measurement Date may be postponed as described under "— Market Disruption Events."

The applicable "Redemption Measurement Date" means the Index Business Day following the applicable Redemption Notice Date, subject to adjustments as described under "— Market Disruption Events."

If you exercise your right to have us redeem your notes, subject to your compliance with the procedures described under "— Redemption Procedures," you will receive for each note a cash payment on the relevant Redemption Date equal to the Indicative Note Value as of the Redemption Measurement Date, minus the Redemption Fee Amount.

The "Redemption Fee Amount" equals 0.125% of the Indicative Note Value. We reserve the right from time to time to reduce or waive the Redemption Fee Amount in our sole discretion on a case-by-case basis. In exercising your right to have us redeem your notes, you should not assume you will be entitled to the benefit of any such waiver.

We refer to this cash payment as the "Redemption Amount." This amount will not be less than zero.

For purposes of determining the Redemption Amount, the Index Performance Factor used in calculating the closing Indicative Note Value as of the Redemption Measurement Date will be (a) the Index Closing Level on the Redemption Measurement Date *divided by* (b) the Index Closing Level on the immediately preceding Index Business Day, as determined by the Calculation Agent.

We will inform you of such Redemption Amount on the first Business Day following the applicable Redemption Measurement Date.

You may lose some or all of your investment upon early redemption. Because the cumulative negative effect of the Daily Investor Fee, any negative Daily Interest and the Redemption Fee Amount reduce your final payment, the level of the Index will need to have decreased over the term of the notes by an amount, after giving effect to daily compounding, sufficient to offset the decrease in principal amount represented by the Daily Investor Fee, any negative Daily Interest and the Redemption Fee Amount in order for you to receive an aggregate amount upon redemption equal to at least the principal amount of your notes. Due to compounding, the notes are very sensitive to changes in the level of the Index and the path of such changes. If the decrease in the level of the Index, as measured on the Redemption Measurement Date, is insufficient to offset such a cumulative negative effect, you will lose some or all of your investment upon early redemption. **It is possible that you will suffer significant losses in the notes upon redemption even if the long-term performance of the Index is flat or negative (before taking into account the negative effect of the Daily Investor Fee, the Daily Interest and the Redemption Fee Amount).**

The Redemption Amount is meant to induce arbitrageurs to counteract any trading of the notes at a premium or discount to their indicative value. However, there can be no assurance that arbitrageurs will employ the repurchase feature in this manner.

Redemption Procedures

To redeem your notes, you must instruct your broker or other person through whom you hold your notes to take the following steps through normal clearing system channels:

- Ø deliver a notice of redemption, which we refer to as a “Redemption Notice,” which is attached to this pricing supplement as Annex A, to Bank of Montreal or its agent via email no later than 2:00 p.m. (New York City time) on the Index Business Day preceding the applicable Redemption Measurement Date. If we receive your Redemption Notice by the time specified in the preceding sentence, we (or our agent) will respond by sending you a form of confirmation of redemption, which is attached to this pricing supplement as Annex B, for your execution;

- Ø deliver the signed confirmation of redemption, which we refer to as the “Redemption Confirmation,” to us via e-mail in the specified form by 5:00 p.m. (New York City time) on the same day. We or our affiliate must acknowledge receipt in order for your Redemption Confirmation to be effective;

- Ø instruct your DTC custodian to book a delivery vs. payment trade with respect to your notes on the applicable Redemption Measurement Date at a price equal to the Redemption Amount; and

- Ø cause your DTC custodian to deliver the trade as booked for settlement via DTC at or prior to 10:00 a.m. (New York City time) on the applicable Redemption Date.

Different brokerage firms may have different deadlines for accepting instructions from their customers. Accordingly, as a beneficial owner of the notes, you should consult the brokerage firm through which you own your interest for the relevant deadline. If your broker delivers your notice of redemption after 2:00 p.m. (New York City time), or your confirmation of redemption after 5:00 p.m. (New York City time), on the Index Business Day prior to the applicable Redemption Measurement Date, your notice will not be effective, you will not be able to redeem your notes until the following Redemption Date and your broker will need to complete all the required steps if you wish to redeem your notes on any subsequent Redemption Date. In addition, Bank of Montreal may request a medallion signature guarantee or such assurances of delivery as it may deem necessary in its sole discretion. All instructions given to participants from beneficial owners of notes relating to the right to redeem their notes will be irrevocable. If the notes undergo a split or reverse split, the minimum number of notes needed to exercise your right to redeem will remain the same.

Call Right

We have the right to redeem all, but not less than all, of the notes upon not less than 14 calendar days' prior notice to the holders of the notes. Such redemption will occur on the applicable Call Settlement Date (as defined above). Upon early redemption in the event we exercise this right, you will receive a cash payment equal to the arithmetic mean of the closing Indicative Note Values on each Index Business Day in the Call Measurement Period.

We refer to this cash payment as the "Call Settlement Amount." This amount will not be less than zero.

We will inform you of such Call Settlement Amount on the first Business Day following the last Index Business Day in the Call Measurement Period.

The holders will receive payment for their notes on the fifth Business Day following the last Index Business Day in the Call Measurement Period (the "Call Settlement Date"). If a Market Disruption Event is continuing or occurs on the scheduled Call Calculation Date with respect to any of the Index constituents, such Call Calculation Date may be postponed as described under "— Market Disruption Events."

The "Call Measurement Period" means the five Index Business Days from and including the Call Calculation Date, subject to adjustments as described under "— Market Disruption Events."

If we issue a call notice on any calendar day, the "Call Calculation Date" will be the next Index Business Day after the call notice is issued.

You may lose some or all of your investment upon a call. Because the Daily Investor Fee and any negative Daily Interest reduce your final payment, the level of the Index will need to have decreased over the term of the notes by an amount, after giving effect to daily compounding, sufficient to offset the decrease in the principal amount represented by the Daily Investor Fee and any negative Daily Interest in order for you to receive an aggregate amount upon a call equal to at least the principal amount of your notes. Due to compounding, the notes are very sensitive to changes in the level of the Index and the path of such changes. If the decrease in the level of the Index, measured as a component of the closing Indicative Note Value during the Call Measurement Period, is insufficient to offset such a cumulative negative effect, you will lose some or all of your investment upon a call. This loss may occur even if the Index Closing Level at any time during the Call Measurement Period is less than the Initial Index Level. **It is possible that you will suffer significant losses in the notes upon a call even if the long-term performance of the Index is flat or negative (before taking into account the negative effect of the Daily Investor Fee and the Daily Interest).**

Calculation Agent

BMOCM will act as the Calculation Agent. The Calculation Agent will make all determinations relating to the notes, including the Index Performance Factor, the Index Closing Level on any Index Business Day on which such Index Closing Level is to be determined during the term of the notes, the Indicative Note Value, the Deposit Amount, the Short Index Amount, the Daily Interest, the Daily Investor Fee, the Redemption Fee Amount, the Cash Settlement Amount, if any, that we will pay you at maturity, the Redemption Amount, if any, that we will pay you upon redemption, if applicable, and the Call Settlement Amount, if any, that we will pay you in the event that we call the notes. The Calculation Agent will also be responsible for determining whether a Market Disruption Event has occurred, whether the Index has been discontinued and whether there has been a material change in the Index. All determinations made by the Calculation Agent will be at the sole discretion of the Calculation Agent and will, in the absence of manifest error, be conclusive for all purposes and binding on you and on us. The holder of the notes shall not be entitled to any compensation from us for any loss suffered as a result of any determinations or calculations made by the Calculation Agent. We may appoint a different Calculation Agent from time to time after the date of this pricing supplement without your consent and without notifying you.

The Calculation Agent will provide written notice to the trustee at its New York office, on which notice the trustee may conclusively rely, of the amount to be paid at maturity or call, or upon early redemption, or on a Coupon Payment Date on or prior to 12:00 p.m., New York City time, on the Business Day immediately preceding the Maturity Date, any Redemption Date, any Call Settlement Date or any Coupon Payment Date, as applicable.

All dollar amounts related to determination of the Indicative Note Value, the Deposit Amount, the Short Index Amount, the Daily Interest, the Daily Investor Fee, the Redemption Amount and Redemption Fee Amount, if any, per security, the Call Settlement Amount, if any, per security, and the Cash Settlement Amount, if any, per security, will be rounded to the nearest one-millionth, with five ten-millionths rounded upward (e.g., .7654545 would be rounded up to .765455); and all dollar amounts paid on the aggregate principal amount of notes per holder will be rounded to the nearest cent, with one-half cent rounded upward.

Market Disruption Events

If a Market Disruption Event occurs or is continuing on any day that would otherwise constitute an Index Business Day, as determined by the Calculation Agent, such day shall not be considered an Index Business Day for purposes of determinations with respect to the notes. As a result, the calculation of the Index Performance Factor will be modified so that the applicable exposure does not reset until the first Index Business Day on which no Market Disruption Event has occurred or is continuing.

To the extent a Market Disruption Event has occurred or is continuing on an Averaging Date (as defined below) or on a Redemption Measurement Date, the closing Indicative Note Value for such Averaging Date or for such Redemption Measurement Date will be determined by the Calculation Agent or one of its affiliates on the first succeeding Index Business Day on which a Market Disruption Event does not occur or is not continuing (the "Deferred Averaging Date") irrespective of whether, pursuant to such determination, the Deferred Averaging Date would fall on a date originally scheduled to be an Averaging Date. If the postponement described in the preceding sentence results in the closing Indicative Note Value being calculated on a day originally scheduled to be an Averaging Date, for purposes of determining the closing Indicative Note Values on the Index Business Days during the Final Measurement Period or Call Measurement Period, or on a Redemption Measurement Date, the Calculation Agent or one of its affiliates, as the case may be, will apply the closing Indicative Note Value for such Deferred Averaging Date (i) on the date(s) of the original Market Disruption Event and (ii) such Averaging Date. For example, if the Final Measurement Period or Call Measurement Period, as applicable, for purposes of calculating the Cash Settlement Amount or Call Settlement Amount, respectively, is based on the arithmetic mean of the closing Indicative Note Values on June 8, 2019, June 9, 2019, June 10, 2019, June 11, 2019 and June 12, 2019 and there is a Market Disruption Event on June 8, 2019, but no other Market Disruption Event during the Final Measurement Period or Call Measurement Period, as applicable, then the closing Indicative Note Value on June 9, 2019 will be used twice to calculate the Cash Settlement Amount or Call Settlement Amount, respectively, and such Cash Settlement Amount or Call Settlement Amount, as applicable, will be determined based on the arithmetic mean of the closing Indicative Note Values on June 9, 2019, June 9, 2019, June 10, 2019, June 11, 2019 and June 12, 2019.

In no event, however, will any postponement pursuant to the two immediately preceding paragraphs result in the final Averaging Date or the Redemption Measurement Date, as applicable, occurring more than three Index Business Days following the day originally scheduled to be such final Averaging Date or Redemption Measurement Date. If the third Index Business Day following the date originally scheduled to be the final Averaging Date, or the Redemption Measurement Date, as applicable, is not an Index Business Day or a Market Disruption Event has occurred or is continuing on such third Index Business Day, the Calculation Agent or one of its affiliates will determine the Index Closing Level to be used in the calculation of the closing Indicative Note Value based on its good faith estimate of the Index Closing Level that would have prevailed on such third Index Business Day but for such Market Disruption Event.

An "Averaging Date" means each of the Index Business Days during the Final Measurement Period or Call Measurement Period, as applicable, subject to adjustment as described herein.

Any of the following will be a Market Disruption Event with respect to the Index, in each case as determined by the Calculation Agent in its sole discretion:

(a)

the suspension, absence or material limitation of trading in a material number of the Index constituents for more than two hours or during the one-half hour before the close of trading in the applicable Primary Exchange or Primary Exchanges;

(b) the suspension, absence or material limitation of trading in option or futures contracts relating to the Index or to a material number of Index constituents on a Related Exchange for more than two hours of trading or during the one-half hour before the close of trading in that market;

(c) the Index is not published; or

(d) any other event, if the Calculation Agent determines in its sole discretion that the event materially interferes with our ability or the ability of any of our affiliates to unwind all or a material portion of a hedge with respect to the notes that we or our affiliates have effected or may effect as described in the section entitled “Use of Proceeds and Hedging.”

The following events will not be Market Disruption Events with respect to the Index:

(a) a limitation on the hours or numbers of days of trading, but only if the limitation results from an announced change in the regular business hours of the Primary Exchange or Related Exchange; or

(b) a decision to permanently discontinue trading in the option or futures contracts relating to the Index or any Index constituents.

For this purpose, an “absence of trading” in the primary securities market on which option or futures contracts related to the Index or any Index constituents are traded will not include any time when that market is itself closed for trading under ordinary circumstances.

Notwithstanding the occurrence of one or more of the events described above, which may, in the Calculation Agent's discretion, constitute a Market Disruption Event, the Calculation Agent in its discretion may waive its right to postpone the determination of the Index Closing Level if it determines that one or more of the above events has not and is not likely to materially impair its ability to determine the Index Closing Level on any date.

Discontinuance or Modification of the Index

If the Index Sponsor discontinues publication of the Index and the Index Sponsor or anyone else publishes a substitute index that the Calculation Agent determines is comparable to the Index, then the Calculation Agent will permanently replace the Index with that substitute index (the "successor index") for all purposes, and all provisions described in this pricing supplement as applying to the Index will thereafter apply to the successor index instead. If the Calculation Agent replaces the Index with a successor index, then the Calculation Agent will determine the Cash Settlement Amount, Redemption Amount or Call Settlement Amount, as applicable, by reference to the successor index.

If the Calculation Agent determines that the publication of the Index is discontinued and there is no successor index, the Calculation Agent will determine the level of the Index and thus the Cash Settlement Amount, Redemption Amount or Call Settlement Amount, as applicable, by a computation methodology that the Calculation Agent determines will as closely as reasonably possible replicate the Index.

If the Calculation Agent determines that the Index, the Index constituents or the method of calculating the Index is changed at any time in any respect, including whether the change is made by the Index Sponsor under its existing policies or following a modification of those policies, is due to the publication of a successor index, is due to events affecting the Index constituents or is due to any other reason and is not otherwise reflected in the level of the Index by the Index Sponsor pursuant to the methodology described herein, then the Calculation Agent will be permitted (but not required) to make such adjustments in the Index or the method of its calculation as it believes are appropriate to ensure that the Index Closing Level used to determine the Cash Settlement Amount, Redemption Amount or Call Settlement Amount, as applicable, is equitable.

A substitution of the Index for a successor index or a material change in the method of calculating the Index could cause the notes to no longer satisfy the listing requirements and result in the NYSE delisting the notes. A delisting of the notes would materially and adversely affect the liquidity of the trading market for the notes.

Events of Default and Acceleration

Under the heading "Description of Debt Securities We May Offer — Modification and Waiver of the Debt Securities — Events of Default" in the accompanying prospectus is a description of events of default relating to debt securities including the notes.

Payment upon an Event of Default

In case an event of default with respect to the notes shall have occurred and be continuing, the amount declared due and payable per note upon any acceleration of the notes will be determined by the Calculation Agent and will be an amount in cash equal to the Redemption Amount, calculated as if the date of acceleration were the Redemption Measurement Date. For purposes of this calculation the Repurchase Fee Amount shall be zero.

If the maturity of the notes is accelerated because of an event of default as described above, we will, or will cause the Calculation Agent to, provide written notice to the trustee at its New York office, on which notice the trustee may conclusively rely, and to DTC of the cash amount due with respect to the notes as promptly as possible and in no event later than two Business Days after the date of acceleration.

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Defeasance

The provisions described in the accompanying prospectus under the heading “Description of Debt Securities We May Offer — Modification and Waiver of the Debt Securities — Defeasance” are not applicable to the notes.

Manner of Payment and Delivery

Any payment on or delivery of the notes at maturity or call, or upon early redemption, will be made to accounts designated by you and approved by us, or at the corporate trust office of the trustee in New York City, but only when the notes are surrendered to the trustee at that office. We also may make any payment or delivery in accordance with the applicable procedures of the depositary.

Modified Business Day

As described in “Description of the Notes We May Offer — Payment Mechanics — Payment When Offices Are Closed” in the attached prospectus supplement, any payment on the notes that would otherwise be due on a day that is not a Business Day may instead be paid on the next day that is a Business Day, with the same effect as if paid on the original due date, except as described under “— Cash Settlement Amount at Maturity,” “— Call Right” and “— Early Redemp at the Option of the Holders” above.

Reissuances or Reopened Issues

We may, at our sole discretion, “reopen” or reissue the notes. We will issue the notes initially in an amount having the aggregate offering price specified on the cover page of this pricing supplement. However, we may issue additional notes in amounts that exceed the amount on the cover at any time, without your consent and without notifying you. The notes do not limit our ability to incur other indebtedness or to issue other securities. Also, we are not subject to financial or similar restrictions by the terms of the notes. For more information, please refer to “Description of the Notes We May Offer — General” in the accompanying prospectus supplement and “Description of Debt Securities We May Offer — General” in the accompanying prospectus.

These further issuances, if any, will be consolidated to form a single class with the originally issued notes and will have the same CUSIP number and will trade interchangeably with the notes immediately upon settlement. Any additional issuances will increase the aggregate principal amount of the outstanding notes of the class, plus the aggregate principal amount of any notes bearing the same CUSIP number that are issued pursuant to any future issuances of notes bearing the same CUSIP number. The price of any additional offering will be determined at the time of pricing of that offering.

Clearance and Settlement

The DTC participants that hold the notes through DTC on behalf of investors will follow the settlement practices applicable to equity securities in DTC’s settlement system with respect to the primary distribution of the notes and secondary market trading between DTC participants.

INTRADAY VALUE OF THE INDEX AND THE NOTES

Intraday Index Values

Each Index Business Day, the Index Calculation Agent will calculate and publish the intraday Index value every 15 seconds during normal trading hours on Bloomberg under the ticker symbol “SOLUSBBT” <INDEX>.

Solactive AG, the Index Calculation Agent, is not affiliated with Bank of Montreal and does not approve, endorse, review or recommend the Index or the notes. The information used in the calculation of the intraday Index value will be derived from sources the Index Calculation Agent deems reliable, but the Index Calculation Agent and its affiliates do not guarantee the correctness or completeness of the intraday Index value or other information furnished in connection with the notes or the calculation of the Index. The Index Calculation Agent makes no warranty, express or implied, as to results to be obtained by Bank of Montreal, holders of the notes, or any other person or entity from the use of the intraday Index value or any data included therein. The Index Calculation Agent makes no express or implied warranties, and expressly disclaims all warranties of merchantability or fitness for a particular purpose with respect to the intraday Index value or any data included therein. The Index Calculation Agent, its employees, subcontractors, agents, suppliers and vendors shall have no liability or responsibility, contingent or otherwise, for any injury or damages, whether caused by the negligence of the Index Calculation Agent, its employees, subcontractors, agents, suppliers or vendors or otherwise, arising in connection with the intraday Index value or the notes, and shall not be liable for any lost profits, losses, punitive, incidental or consequential damages. The Index Calculation Agent shall not be responsible for or have any liability for any injuries or damages caused by errors, inaccuracies, omissions or any other failure in, or delays or interruptions of, the intraday Index value from whatever cause. The Index Calculation Agent is not responsible for the selection of or use of the Index or the notes, the accuracy and adequacy of the Index or information used by Bank of Montreal and the resultant output thereof.

The intraday calculation of the level of the Index will be provided for reference purposes only. Published calculations of the level of the Index from the Index Calculation Agent may occasionally be subject to delay or postponement. Any such delays or postponements will affect the current level of the Index and therefore the value of the notes in the secondary market. The intraday Index value published every 15 seconds will be based on the intraday prices of the Index constituents.

Intraday Indicative Note Values

An Intraday Indicative Value, which is our approximation of the value of the notes, will be calculated and published by Solactive AG (based in part on information provided by the Index Calculation Agent) or a successor on Bloomberg under the ticker symbol “KNABIV” every 15 seconds during normal trading hours. **The actual trading price of the notes may vary significantly from their Intraday Indicative Value**. In connection with the notes, we use the term “**indicative value**” to refer to the value at a given time equal to (a) the Deposit Amount *minus* (b) the Intraday Short Index Amount; provided that if such calculation results in a value equal to or less than $0, then both the Intraday Indicative Value and the closing Indicative Note Value will be $0. The Intraday Short Index Amount will equal the product of (a) the closing Indicative Note Value on the immediately preceding Exchange Business Day *times* (b) the Intraday Index Performance Factor. The Intraday Index Performance Factor equals (a) the most recently published Index level *divided by* (b) the Index Closing Level on the preceding Index Business Day.

If the Intraday Indicative Value of the notes is equal to or less than $0 at any time on any Exchange Business Day, then both the Intraday Indicative Value and the closing Indicative Note Value of the notes on that Exchange Business Day, and on all future Exchange Business Days, will be $0 (a total loss of value).

The Intraday Indicative Value is meant to approximate the value of the notes at a particular time. There are three elements of the formula: the Deposit Amount from the previous Index Business Day, the Intraday Short Index Amount and the Intraday Index Performance Factor (using, instead of the Index Closing Level for the date of determination, the intraday Index level at the time of determination), as described immediately above. Because the intraday Index level and the Intraday Short Index Amount are variable, the Intraday Indicative Value translates the change in the Index level from the previous Exchange Business Day, as measured at the time of measurement, into an approximation of the expected value of the notes. The Intraday Indicative Value uses an intraday Index level for its calculation; therefore, a variation in the intraday level of the Index from the previous Exchange Business Day's Index Closing Level may cause a significant variation between the closing Indicative Note Value and the Intraday Indicative Value on any date of determination. The Intraday Indicative Value also does not reflect intraday changes in the exposure. Consequently, the Intraday Indicative Value may vary significantly from the previous or next Exchange Business Day's closing Indicative Note Value or the price of the notes purchased intraday. See "Risk Factors — The notes are subject to intraday purchase risk" and "— The Indicative Note Value is reset daily, and the exposure of the notes during any given Exchange Business Day may be greater or less than -1.0." The Intraday Indicative Value may be useful as an approximation of what price an investor in the notes would receive if the notes were to be redeemed or if they matured, each at the time of measurement. The Intraday Indicative Value may be helpful to an investor in the notes when comparing it against the notes' trading price on the NYSE and the most recently published level of the Index.

The Intraday Indicative Value calculation will be provided for reference purposes only. It is not intended as a price or quotation, or as an offer to solicitation for the purpose, sale, or termination of your notes, nor will it reflect hedging or other transactional costs, credit considerations, market liquidity or bid-offer spreads. The levels of the Index provided by the Index Calculation Agent will not necessarily reflect the depth and liquidity of the Index constituents. For this reason and others, the actual trading price of the notes may be different from their indicative value. For additional information, please see "Risk Factors — The Intraday Indicative Value and the Indicative Note Value are not the same as the closing price or any other trading price of the notes in the secondary market" in this pricing supplement.

The calculation of the Intraday Indicative Value shall not constitute a recommendation or solicitation to conclude a transaction at the level stated, and should not be treated as giving investment advice.

The publication of the Intraday Indicative Value of the notes by Solactive AG may occasionally be subject to delay or postponement. If the intraday Index value is delayed, then the Intraday Indicative Value of the notes will also be delayed. The actual trading price of the notes may be different from their Intraday Indicative Value. The Intraday Indicative Value of the notes published at least every 15 seconds from 9:30 a.m. to 6:00 p.m., New York City time, will be based on the intraday values of the Index, and may not be equal to the payment at maturity, call or redemption.

The indicative value calculations will have been prepared as of a particular date and time and will therefore not reflect subsequent changes in market values or prices or in any other factors relevant to their determination.

If you want to sell your notes but are unable to meet the minimum redemption requirements, you may sell your notes into the secondary market at any time, subject to the risks described under "Risk Factors — Risks Relating to Liquidity and the Secondary Market — There is no assurance that your notes will continue to be listed on a securities exchange, and they may not have an active trading market" and "— The value of the notes in the secondary market may be influenced by many unpredictable factors." Also, the price you may receive for the notes in the secondary market may differ from, and may be significantly less than, the Redemption Amount.

Neither the NYSE or Solactive AG, or their respective affiliates, are affiliated with Bank of Montreal or BMOCM and do not approve, endorse, review or recommend Bank of Montreal, BMOCM or the notes.

The Intraday Indicative Values of the notes calculated by Solactive AG are derived from sources deemed reliable, but Solactive AG, its affiliates and its and their respective suppliers do not guarantee the correctness or completeness of the notes, their values or other information furnished in connection with the notes. Solactive AG and its affiliates make no warranty, express or implied, as to results to be obtained by BMOCM, Bank of Montreal, the holders of the notes, or any other person or entity from the use of the notes, or any date or values included therein or in connection therewith. Solactive AG and its affiliates make no express or implied warranties, and expressly disclaim all warranties of merchantability or fitness for a particular purpose with respect to the notes, or any data or values included therein or in connection therewith.

Split or Reverse Split of the Notes

We or the Calculation Agent may initiate a split or reverse split of the notes on any Index Business Day. If we or the Calculation Agent decides to initiate a split or reverse split, we will issue a notice to holders of the notes and a press release announcing the split or reverse split, specifying the effective date of the split or reverse split. The Calculation Agent will determine the ratio of such split or reverse split, as the case may be, using relevant market indicia, and will adjust the terms of the notes accordingly. Any adjustment of the closing value will be rounded to 8 decimal places.

In the case of a reverse split, we reserve the right to address odd numbers of notes (commonly referred to as "partials") in a manner determined by the Calculation Agent in its sole discretion, acting in good faith. For example, if the notes undergo a 1-for-4 reverse split, holders who own a number of notes on the relevant record date that is not evenly divisible by 4 will receive the same treatment as all other holders for the maximum number of notes they hold that is evenly divisible by 4, and we will have the right to compensate holders for their remaining or "partial" notes in a manner determined by the Calculation Agent in its sole discretion. Our current intention is to provide holders with a cash payment for their partials in an amount equal to the appropriate percentage of the closing Indicative Note Value of the notes on a specified Index Business Day following the announcement date.

A split or reverse split of the notes will not affect the aggregate stated principal amount of notes held by an investor, other than to the extent of any "partial" notes, but it will affect the number of notes an investor holds, the denominations used for trading purposes on the exchange and the trading price, and may affect the liquidity, of the notes on the exchange.

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THE INDEX

We have derived all information contained in this pricing supplement regarding the Index, including, without limitation, its make-up, performance, method of calculation and changes in its constituents, from publicly available sources. Such information reflects the policies of and is subject to change by Solactive AG, which is the Index Sponsor, Index Administrator and Index Calculation Agent. We have not undertaken any independent review or due diligence of such information. The Index Sponsor has no obligation to continue to publish, and may discontinue the publication of, the Index. The description of the Index is summarized from its governing methodology, which is available at https://www.solactive.com/indices/?se=1&index=DE000SLA7WC8. Neither the methodology nor any other information included on any Solactive AG website is included or incorporated by reference into this pricing supplement.

Introduction

The Index is an equal-dollar weighted index designed to track the prices of the 10 U.S. stocks in the banking sector with the largest free-float market capitalization. The Index was launched on February 25, 2019. As of the date of this pricing supplement, the Index constituents are: Bank of America Corporation (BAC), BB&T Corporation (BBT), Citigroup Inc. (C), The Goldman Sachs Group, Inc. (GS), JPMorgan Chase & Co. (JPM), Morgan Stanley (MS), The PNC Financial Services Group, Inc. (PNC), The Charles Schwab Corporation (SCHW), U.S. Bancorp (USB) and Wells Fargo & Company (WFC).

The Index constituents are equally weighted on each “Adjustment Day,” which is the third Friday of each month. If this day is not a trading day, then the Adjustment Day will be postponed to the next trading day.

As discussed in more detail below, the Index is a total return index, in which dividends paid on the index constituents are reflected in the level of the Index.

The Index level is calculated every 15 seconds on each trading day when the New York Stock Exchange and the Nasdaq Stock Market are open for business, from 9:00AM to approximately 4:30PM, New York City time. The level of the Index is rounded to two decimal places.

The Index was developed in collaboration with REX Shares, LLC.

Index Constituent Selection

The first business day of each calendar month is a “Selection Day” for the Index.

Annual Selection. On the Selection Day in March of each year, Solactive AG selects securities for potential inclusion in the Index based on the following criteria:

- a security must be a components of the Solactive GBS United States Large & Mid Cap Index;
- the security must be listed on a U.S. securities exchange, and be domiciled in the U.S.;
- the issuer of the security must have a free-float market capitalization that is greater than US$1 billion; and
- the security must have a minimum average daily traded value for the preceding one month and six months of more than US$25 million.

If an issuer has more than one class of common equity securities outstanding, only the class that Solactive AG deems to be the most liquid may be included. Solactive AG determines the free-float market capitalization of each relevant security based on the product of the “float shares” outstanding (as sourced from data vendors that it selects from time to time) and the closing price of the relevant share class.

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Once the Index universe is determined as set forth above, the selection of the Index constituents is effected as follows:

- Solactive AG identifies the issuers that are in the business sectors identified by Reuters as: “Banking and Investment Services”, the industry group “Banking Services or Investment Banking Services,” and the industry classification “Banks or Investment Banking & Brokerage Services.”

- these securities are ranked based on their free-float market capitalization, and the 10 largest are selected for the Index.

On each monthly Selection Day other than for the month of March, the Index constituents are reviewed as follows:

- the Index universe and industry sector determinations are made as set forth above;

- these securities are ranked based on their free-float market capitalization, and the 13 largest are identified;

- if any of the securities currently in the Index is no longer included in the 13 largest, the Index is reconstituted to the largest 10 by rank; all such stocks will be re-weighted to have equal weight on the subsequent Adjustment Day; and

- if all of the securities currently in the Index are among the 13 largest, no change is made to the composition of the Index, however, the Index constituents are re-weighted to have an equal weight on the subsequent Adjustment Day.

Solactive AG will publicly announce any changes to the composition of the Index.

Index Calculation

Index Level. The Index is based on a starting level as of 1,000 at the close of trading on its inception date, March 15, 2013.

The level of the Index is calculated in accordance with the following formula:

where:

= Number of Shares of the Index constituent on trading day

= Price of Index constituent on trading day

The “Number of Shares” for an Index constituent on any trading day is based on the number or fraction of shares included in the Index; it is calculated for any Index constituent as the ratio of (A) the Percentage Weight of an Index constituent multiplied by the level of the Index and (B) its closing price. The “Percentage Weight” of an Index constituent is the ratio of its closing price multiplied by its Number of Shares, divided by the Index level. The Number of Shares will be adjusted by Solactive AG to reflect corporate transactions that impact the number of outstanding shares of an Index constituent, including stock dividends, stock splits and reverse stock splits, issuances of new shares, repurchases of outstanding shares, and other transactions.

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Dividends. Dividend payments and other distributions on an Index constituent are deemed to be reinvested into the applicable Index constituent, based on the closing price of the applicable Index constituent on the trading day prior to the ex-date. These dividends and distributions result in an adjustment of the Number of Shares. Upon the payment of a dividend, the new Number of Shares for the relevant Index constituent is calculated as follows:

with:

= Number of Shares of the Index constituent i on trading day t

$p_{i,t-1}$ = Closing price of the Index constituent i on Trading Day t-1

= Dividend amount on the ex-dividend date on trading day t

Corporate Actions

General. The Index may be adjusted in order to maintain the continuity of the Index level and the composition. Adjustments take place in reaction to events that occur with Index constituents in order to mitigate or eliminate the effect of that event on Index performance.

Mergers and Acquisitions. If an Index constituent merges with or is acquired by another Index constituent, that acquired component will be replaced in the Index with the relevant security having largest free-float market capitalization that is not yet included in the Index, determined as of the most recent Selection Date.

Spin-offs. In case of spin-off events, spun-off companies will always be removed from the Index and their weight will be redistributed proportionally among the remaining Index constituents.

Bankruptcy and Similar Events. If an Index constituent is bankrupt, files for bankruptcy, becomes insolvent, is being liquidated or is delisted from its primary U.S. exchange (other than for purposes of relisting on a different exchange), Solactive AG will make an announcement once it determines the information to be definitive, the security will be removed from the Index. The relevant constituent will be replaced in the Index with the relevant security having largest free-float market capitalization that is not yet included in the Index, determined as of the most recent Selection Date.

Index Governance

Solactive AG is responsible for the day-to-day management of the Index, including retaining primary responsibility for all aspects of the Index determination process, including implementing appropriate governance and oversight, as required under the International Organization of Securities Commission's Principles for Financial Benchmarks (the "IOSCO Principles"). A committee consisting of Solactive AG personnel (the "Index Committee") is responsible for helping to ensure Solactive AG's overall compliance with the IOSCO Principles, by performing the oversight function, which includes overseeing the Index development, design, issuance and operation of the Index, as well as reviewing the control framework. Solactive AG is also responsible for decisions regarding the interpretation of the Index methodology, and the Index Committee is responsible for reviewing all rule modifications and Index constituent changes to ensure that they are made objectively, without bias, and in accordance with applicable law and regulation and Solactive AG's policies and procedures. Consequently, all of Solactive AG's and the Index Committee discussions and decisions are confidential until released to the public.

Methodology changes. The Index Committee is responsible for decisions regarding the composition of the Index as well as any amendments to the rules. Members of the Index Committee can recommend changes to the Index methodology and submit them to the Index Committee for approval.

Index Corrections

Solactive AG endeavors to ensure the accuracy of the Index. Nevertheless, errors in the Index determination process may occur from time to time for a variety of reasons, both internal and external to Solactive AG. The primary aim in this regard is to ensure the quality of Solactive AG's index calculation by defining a coherent and, if possible, exhaustive rule-based methodology which clearly defines specific treatments for individual error types.

Solactive AG endeavors to correct all errors that have been identified within a reasonable period of time. A reasonable period of time, as referred to in this policy, is generally understood as meaning two business days.

Additional information relating to Solactive AG's index correction policy may be found on its website, in the document named "Correction Policy."

Conditions of Market Stress

Solactive AG maintains rules and procedures that will apply during conditions of market stress occurring in the calculation process of the Index. Market stress can arise due to a variety of reasons and take several forms, but generally results in inaccurate or delayed prices for one or more constituents of the Index. The Index may also be directly affected by stock suspensions or any other disruptions, as one or more of the Index constituents may be prohibited from trading for a longer time, thereby impairing the representativeness of the index. In order to maintain the quality of the Index methodology and to define how and when discretion may be exercised in the determination of an index, Solactive AG applies rules and procedures as to how to address these circumstances. These may be found on the Solactive AG website, in the document named "Disruption Policy."

Hypothetical Back-Tested and Historical Index and Note Information

This section contains hypothetical back-tested performance data for the index from March 15, 2013 to April 1, 2019. The Index was first published on February 25, 2019 and therefore has no actual historical information to report prior to that date. This section also contains actual historical performance data for the index since its first date of publication. The hypothetical back-tested and historical performance data shown below is not an indication of future performance, which is impossible to predict.

All index performance data prior to the first publication date is hypothetical. Hypothetical index performance data is subject to significant limitations. No representation is made that the Index is likely to achieve gains or losses similar to those shown. In fact, there are frequently sharp differences between hypothetical performance results and the actual results subsequently achieved by any particular investment. One of the limitations of hypothetical performance information is that it did not involve financial risk, and cannot account for all factors that would affect actual performance.

The hypothetical back-tested and historical performance data were calculated by Solactive AG, and we have not independently verified their accuracy. Solactive AG has advised us that the hypothetical back-tested performance data were calculated in a manner consistent with the Index methodology described above, using published historical values to determine the Index constituents and the levels of the Index.

The vertical line at the right of the graph below represents February 25, 2019, which is the date on which the Index was first published. The performance shown to the left of that line reflects the hypothetical back-tested performance of the Index, and the performance shown to the right of that line reflects the actual historical performance after the date of initial publication.

Historical results are not indicative of future results.

License Agreement

We have entered into a sub-license agreement with REX Shares, LLC ("REX" or the "Structuring Agent"), which licenses the Index from Solactive AG. The license agreement with the Structuring Agent also provides for the use of certain trade names, trademarks and service marks. We have also entered into a services agreement with REX to provide certain services related to product design, content generation and document dissemination.

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Solactive AG ("Solactive") is the licensor of the Index. The notes are not sponsored, endorsed, promoted or sold by Solactive in any way, and Solactive makes no express or implied representation, guarantee or assurance with regard to: (a) the advisability in investing in the notes; (b) the quality, accuracy and/or completeness of the Index; and/or (c) the results obtained or to be obtained by any person or entity from the use of the Index. Solactive does not guarantee the accuracy and/or the completeness of the Index and shall not have any liability for any errors or omissions with respect thereto. Notwithstanding Solactive's obligations to its licensees, Solactive reserves the right to change the methods of calculation or publication of the Index, and Solactive shall not be liable for any miscalculation of or any incorrect, delayed or interrupted publication with respect to the Index. Solactive shall not be liable for any damages, including, without limitation, any loss of profits or business, or any special, incidental, punitive, indirect or consequential damages suffered or incurred as a result of the use (or inability to use) of the Index.

MicroSectors™ and REX™ are registered trademarks of REX. The trademarks have been licensed for use for certain purposes by Bank of Montreal. The notes are not sponsored, endorsed, sold or promoted by REX or any of its affiliates or third party licensors (collectively, "REX Index Parties"). REX Index Parties make no representation or warranty, express or implied, to the owners of the notes or any member of the public regarding the advisability of investing in securities generally or in the notes particularly or the ability of the Index to track general market performance. REX Index Parties' only relationship to Bank of Montreal with respect to the Index is the licensing of the Index and certain trademarks, service marks and/or trade names of REX Index Parties. REX Index Parties are not responsible for and have not participated in the determination of the prices, and amount of the notes or the timing of the issuance or sale of the notes or in the determination or calculation of the equation by which the notes are to be converted into cash. REX Index Parties have no obligation or liability in connection with the administration, marketing or trading of the notes. Inclusion of a security within an index is not a recommendation by REX Index Parties to buy, sell, or hold such security, nor is it considered to be investment advice.

REX INDEX PARTIES DO NOT GUARANTEE THE ADEQUACY, ACCURACY, TIMELINESS AND/OR THE COMPLETENESS OF THE INDEX OR ANY DATA RELATED THERETO OR ANY COMMUNICATION, INCLUDING BUT NOT LIMITED TO, ORAL OR WRITTEN COMMUNICATION (INCLUDING ELECTRONIC COMMUNICATIONS) WITH RESPECT THERETO. REX INDEX PARTIES SHALL NOT BE SUBJECT TO ANY DAMAGES OR LIABILITY FOR ANY ERRORS, OMISSIONS, OR DELAYS THEREIN. REX INDEX PARTIES MAKE NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIM ALL WARRANTIES, OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE OR AS TO RESULTS TO BE OBTAINED BY BANK OF MONTREAL, OWNERS OF THE NOTES, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE INDEX OR WITH RESPECT TO ANY DATA RELATED THERETO. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT WHATSOEVER SHALL REX INDEX PARTIES BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES INCLUDING BUT NOT LIMITED TO, LOSS OF PROFITS, TRADING LOSSES, LOST TIME OR GOODWILL, EVEN IF THEY HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, WHETHER IN CONTRACT, TORT, STRICT LIABILITY, OR OTHERWISE.

USE OF PROCEEDS AND HEDGING

The net proceeds we receive from the sale of the notes will be used for general corporate purposes and, in part, by us or by one or more of our affiliates in connection with hedging our obligations under the notes.

We expect to enter into transactions to hedge our obligations under the notes. Such transactions may involve purchases or sales of the Index constituents or financial instruments linked to the Index and/or the Index constituents prior to or on the Initial Issue Date. In addition, from time to time after we issue the notes, we may enter into additional hedging transactions or unwind those hedging transactions previously entered into. In this regard, we may:

- acquire or dispose of or otherwise repurchase long or short positions in some or all of the Index constituents;
- acquire or dispose of long or short positions in listed or over-the-counter options, futures, or other instruments linked to some or all of the constituent issuers, the Index constituents or the Index;
- acquire or dispose of long or short positions in listed or over-the-counter options, futures, or other instruments linked to the level of other similar market indices; or
- engage in any combination of the above activities.

We or our affiliates may acquire a long or short position in securities similar to the notes from time to time and may, in our sole discretion, hold or resell those securities.

We may close out our hedge positions on or before the last Index Business Day in the applicable Final Measurement Period or Call Measurement Period. That step may involve sales or purchases of the Index constituents, listed or over-the-counter options or futures on Index constituents or listed or over-the-counter options, futures, or other instruments linked to the level of the Index, as well as other instruments designed to track the performance of the Index.

While we cannot predict an outcome, any of these hedging activities or other trading activities of ours could potentially increase the Index level, which could adversely affect your payment at maturity, call or upon early redemption. It is possible that these hedging or trading activities could result in substantial returns for us or our affiliates while the value of the notes declines. See “Risk Factors — Risks Relating to the Notes Generally — We or our affiliates may have economic interests that are adverse to those of the holders of the notes as a result of our hedging and other trading activities" above.

We have no obligation to engage in any manner of hedging activity and will do so solely at our discretion and for our own account. We may hedge our exposure on the notes directly or we may aggregate this exposure with other positions taken by us and our affiliates with respect to our exposure to the Index or one or more constituent issuers or the Index constituents. No noteholder will have any rights or interest in our hedging activity or any positions that we or any unaffiliated counterparties may take in connection with our hedging activity.

SUPPLEMENTAL TAX CONSIDERATIONS

The following is a general description of certain tax considerations relating to the notes. It does not purport to be a complete analysis of all tax considerations relating to the notes. Prospective purchasers of the notes should consult their tax advisors as to the consequences under the tax laws of the country of which they are resident for tax purposes and the tax laws of Canada and the U.S. of acquiring, holding and disposing of the notes and receiving payments under the notes. This summary is based upon the law as in effect on the date of this pricing supplement and is subject to any change in law that may take effect after such date.

Supplemental Canadian Tax Considerations

For a summary of Canadian tax considerations relevant to an investment in the notes, please see the sections entitled “Canadian Taxation” in the accompanying prospectus and the section entitled “Certain Income Tax Consequences—Certain Canadian Income Tax Considerations ” in the accompanying prospectus supplement.

With respect to any interest paid or credited or deemed to be paid or credited on the notes, such interest will not be subject to Canadian non-resident withholding tax.

U.S. Federal Income Tax Considerations

The following is a general description of the material U.S. federal income tax considerations relating to the notes. It does not purport to be a complete analysis of all tax considerations relating to the notes. Prospective purchasers of the notes should consult their tax advisors as to the consequences under the tax laws of the country of which they are resident for tax purposes and the tax laws of Canada and the U.S. of acquiring, holding and disposing of the notes and receiving payments under the notes. This summary is based upon the law as in effect on the date of this pricing supplement and is subject to any change in law that may take effect after such date.

The following section supersedes the discussion of U.S. federal income taxation in the accompanying prospectus and prospectus supplement in its entirety. This section is based on the Internal Revenue Code of 1986, as amended (the “Code”), its legislative history, existing and proposed regulations under the Code, published rulings and court decisions, all as currently in effect. These laws are subject to change, possibly on a retroactive basis.

This summary applies only to holders who are initial investors and hold their notes as capital assets for U.S. federal income tax purposes and are not excluded from this discussion. This section does not apply to classes of holders subject to special rules, such as partnerships, subchapter S corporations, other pass-through entities, governments (or instrumentalities or agencies thereof), dealers in securities or currencies, traders in securities that elect to use a mark-to-market method of accounting for their notes, banks, financial institutions, insurance companies, tax-exempt organizations, regulated investment companies, real estate investment trusts, persons that hold notes as part of a straddle or a hedging or conversion transaction, persons liable for alternative minimum tax, persons subject to Section 451(b) of the Code, U.S. expatriates or persons whose functional currency for tax purposes is not the U.S. dollar. In addition, the discussion below assumes that an investor in the notes will be subject to a significant risk that it will lose a significant amount of its investment in the notes.

If a partnership holds the notes, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and the tax treatment of the partnership. A partner in a partnership holding the notes should consult its tax advisor with regard to the U.S. federal income tax treatment of an investment in the notes.

A U.S. holder is a beneficial owner of a note and that, for U.S. federal income tax purposes, is (i) a citizen or individual resident of the United States, (ii) a domestic corporation, (iii) an estate whose income is subject to U.S. federal income tax regardless of its source, or (iv) a trust if a U.S. court can exercise primary supervision over the trust’s administration and one or more U.S. persons are authorized to control all substantial decisions of the trust. A non-U.S. holder is a beneficial owner of a note that, for U.S. federal income tax purposes, is a non-resident alien individual, a foreign corporation, or a foreign estate or trust.

Tax Treatment of the Notes

NO STATUTORY, JUDICIAL OR ADMINISTRATIVE AUTHORITY DIRECTLY DISCUSSES HOW THE NOTES SHOULD BE TREATED FOR U.S. FEDERAL INCOME TAX PURPOSES. AS A RESULT, THE U.S. FEDERAL INCOME TAX CONSEQUENCES OF AN INVESTMENT IN THE NOTES ARE UNCERTAIN. BECAUSE OF THE UNCERTAINTY, HOLDERS SHOULD CONSULT THEIR TAX ADVISORS IN DETERMINING THE U.S. FEDERAL INCOME TAX AND OTHER TAX CONSEQUENCES OF THEIR INVESTMENT IN THE NOTES, INCLUDING THE APPLICATION OF STATE, LOCAL OR OTHER TAX LAWS AND THE POSSIBLE EFFECTS OF CHANGES IN U.S. FEDERAL OR OTHER TAX LAWS.

We will not attempt to ascertain whether the issuer of any of the Index constituents would be treated as a “passive foreign investment company” within the meaning of Section 1297 of the Code or a “U.S. real property holding corporation” within the meaning of Section 897 of the Code. If the issuer of one or more of such stocks were so treated, certain adverse U.S. federal income tax consequences could possibly apply. You should refer to any available information filed with the SEC by the issuers of the Index constituents and consult your tax advisor regarding the possible consequences to you in this regard.

In the opinion of our counsel, Morrison & Foerster LLP, it would generally be reasonable to treat a note with terms described in this pricing supplement as a pre-paid cash-settled derivative contract in respect of the Index for U.S. federal income tax purposes, and the terms of the notes require a holder and us (in the absence of a change in law or an administrative or judicial ruling to the contrary) to treat the notes for all tax purposes in accordance with such characterization. If the notes are so treated, a U.S. holder should generally recognize capital gain or loss upon the sale, exchange, redemption or settlement of the notes in an amount equal to the difference between the amount a U.S. holder receives at such time and the U.S. holder’s tax basis in the notes. In general, a U.S. holder’s tax basis in the notes will be equal to the price the holder paid for the notes. Capital gain recognized by an individual U.S. holder is generally taxed at preferential rates where the property is held for more than one year and is generally taxed at ordinary income rates where the property is held for one year or less. The deductibility of capital losses is subject to limitations. The holding period for notes of a U.S. holder who acquires the notes upon issuance will generally begin on the date after the issue date (i.e., the settlement date) of the notes. If the notes are held by the same U.S. holder until maturity, that holder’s holding period will generally include the Maturity Date.

Information With Respect to Foreign Financial Assets. An individual U.S. holder who, during any taxable year, holds any interest in “specified foreign financial assets” with an aggregate value in excess of $50,000 (and in some circumstances, a higher threshold) may be required to file an information report with respect to such assets with his or her tax returns. “Specified foreign financial assets” may include financial accounts maintained by foreign financial institutions, as well as any of the following, but only if they are not held in accounts maintained by financial institutions: (i) stocks and securities issued by non-U.S. persons, (ii) financial instruments and contracts held for investment that have non-U.S. issuers or counterparties, and (iii) interests in foreign entities. Under these rules, the notes may be treated as “specified foreign financial assets.” Holders are urged to consult their tax advisors regarding the application of this reporting requirement to their ownership of the notes.

Additional Medicare Tax on Unearned Income. Certain U.S. holders will be subject to an additional 3.8% Medicare tax on unearned income. For individual U.S. holders, the additional Medicare tax applies to the lesser of (i) “net investment income” or (ii) the excess of “modified adjusted gross income” over $200,000 ($250,000 if married and filing jointly or $125,000 if married and filing separately). “Net investment income” generally equals the taxpayer’s gross investment income reduced by the deductions that are allocable to such income. Investment income generally includes passive income such as dividends and capital gains. U.S. holders are urged to consult their own tax advisors regarding the implications of the additional Medicare tax resulting from an investment in the notes.

Alternative Treatments. Alternative tax treatments of the notes are also possible and the Internal Revenue Service might assert that a treatment other than that described above is more appropriate. For example, it would be possible to treat the notes, and the Internal Revenue Service might assert that the notes should be treated, as a single debt instrument. Such a debt instrument would generally be subject to the special tax rules governing contingent payment debt instruments. If the notes are so treated, a U.S. holder would generally be required to accrue interest currently over the term of the notes even though that holder will not receive any payments from us prior to maturity. In addition, any gain a U.S. holder might recognize upon the sale, exchange, redemption or settlement of the notes would be ordinary income and any loss recognized by a holder at such time would be ordinary loss to the extent of interest that same holder included in income in the current or previous taxable years in respect of the notes, and thereafter, would be capital loss. It is also possible that the Internal Revenue Service could seek to tax the notes by reference to a holder's deemed ownership of the Index constituents. In such case, a U.S. holder could be required to recognize amounts of income, gain or loss as if such holder had actually owned interests in the Index constituents. Under this alternative treatment, a U.S. holder could also be required to currently recognize gain or loss, at least some of which could be short-term capital gain (and possibly loss), each time the Index rebalances.

The Internal Revenue Service could also assert that a holder should be required to treat any amounts attributable to the Daily Investor Fee, the Financing Charge and any Redemption Fee Amount as separate investment expenses. For taxable years beginning after December 31, 2017 and beginning on or before December 31, 2025, the deduction of any such deemed expenses would not generally be permitted to a holder who is an individual, trust or estate. For taxable years beginning after December 31, 2025, the deduction of any such deemed expenses would generally be subject to a 2% floor on miscellaneous itemized deductions applicable to a holder who is an individual, trust or estate. Such amount would correspondingly increase the amount of gain and income or decrease the amount of loss recognized by a holder with respect to an investment in the notes.

In addition to and separate from an alternative tax treatment of deemed ownership of the Index constituents, it is possible that a deemed taxable exchange has occurred on one or more of the Adjustment Days or upon any extension by us of the Maturity Date or that the notes could be treated as a series of derivative contracts, each of which matures on the next Adjustment Day. If the notes were properly characterized in such a manner, a U.S. holder would be treated as disposing of the notes on each Adjustment Day or extension, as the case may be, in return for new notes that mature on the next Adjustment Day or on the extended Maturity Date, as the case may be, and a U.S. holder would accordingly likely recognize capital gain or loss on each Adjustment Day or extension, as the case may be, equal to the difference between the holder's tax basis in the notes (which would be adjusted to take into account any prior recognition of gain or loss) and the fair market value of the notes on such date.

Because of the absence of authority regarding the appropriate tax characterization of the notes, it is also possible that the Internal Revenue Service could seek to characterize the notes in a manner that results in other tax consequences that are different from those described above. For example, the Internal Revenue Service could possibly assert that any gain or loss that a holder may recognize upon the sale, exchange, redemption or settlement of the notes should be treated as ordinary gain or loss.

The Internal Revenue Service has released a notice that may affect the taxation of holders of the notes. According to the notice, the Internal Revenue Service and the Treasury Department are actively considering whether the holder of an instrument such as the notes should be required to accrue ordinary income on a current basis, and they sought taxpayer comments on the subject. It is not possible to determine what guidance they will ultimately issue, if any. It is possible, however, that under such guidance, holders of the notes will ultimately be required to accrue income currently and this could be applied on a retroactive basis. The Internal Revenue Service and the Treasury Department are also considering other relevant issues, including whether additional gain or loss from such instruments should be treated as ordinary or capital and whether the special “constructive ownership rules” of Section 1260 of the Code might be applied to such instruments. Holders are urged to consult their tax advisors concerning the significance, and the potential impact, of the above considerations. Unless stated otherwise in the relevant pricing supplement, we intend to treat the notes for U.S. federal income tax purposes in accordance with the treatment described in this pricing supplement unless and until such time as the Treasury Department and Internal Revenue Service determine that some other treatment is more appropriate.

Non-U.S. Holders

The following discussion applies to non-U.S. holders of the notes. A non-U.S. holder is a beneficial owner of a note that, for U.S. federal income tax purposes, is a non-resident alien individual, a foreign corporation, or a foreign estate or trust.

Except as discussed below, a non-U.S. holder will generally not be subject to U.S. federal income or withholding tax for amounts paid in respect of the notes, provided that (i) the holder complies with any applicable certification requirements, (ii) the payment is not effectively connected with the conduct by the holder of a U.S. trade or business, and (iii) if the holder is a non-resident alien individual, such holder is not present in the U.S. for 183 days or more during the taxable year of the sale, exchange, redemption or settlement of the notes. In the case of (ii) above, the holder generally would be subject to U.S. federal income tax with respect to any income or gain in the same manner as if the holder were a U.S. holder and, in the case of a holder that is a corporation, the holder may also be subject to a branch profits tax equal to 30% (or such lower rate provided by an applicable U.S. income tax treaty) of a portion of its earnings and profits for the taxable year that are effectively connected with its conduct of a trade or business in the U.S., subject to certain adjustments.

A “dividend equivalent” payment is treated as a dividend from sources within the U.S. and such payments generally would be subject to a 30% U.S. withholding tax if paid to a non-U.S. holder. Under U.S. Treasury Department regulations, certain payments (including deemed payments) on certain equity linked instruments (“ELI’s”), including the notes, that are contingent upon or determined by reference to actual or estimated U.S. source dividends and that reference an interest in an “underlying security” would be treated as U.S. source dividends. An “underlying security,” is any interest in an entity taxable as a corporation for U.S. federal income tax purposes if a payment with respect to such interest could give rise to a U.S. source dividend. U.S. Internal Revenue Service guidance provides that withholding on dividend equivalent payments will apply to specified ELIs that are delta-one instruments issued on or after January 1, 2017 and to all specified ELIs issued on or after January 1, 2021 (the “grandfather date”). Because the delta of the notes with respect to the Index generally will be one, we intend to treat dividend equivalent payments, if any, as subject to withholding. We will not pay any additional amounts in respect of any dividend equivalent withholding.

We may issue notes on or after the grandfather date (the “additional notes”) that will trade interchangeably with notes that are issued before the grandfather date. In addition, as discussed above, it is possible that the notes could be treated as deemed reissued in a taxable exchange for U.S. federal income tax purposes upon the occurrence of certain events affecting the Index or the notes (including any extension of the Maturity Date), and following such occurrence on or after the grandfather date the notes could be treated as specified ELIs that are subject to withholding on dividend equivalent payments. In such cases, withholding agents for the notes may be unable to distinguish between the notes that are issued before the grandfather date and the additional notes that are issued on or after the grandfather date. Therefore, if we do issue additional notes, we expect that withholding agents would treat all of the notes as being subject to withholding on “dividend equivalent” payments made to non-U.S. holders on or after the date on which we first issue additional notes. Thus, a non-U.S. holder of the notes issued pursuant to this pricing supplement may be treated as subject to withholding on “dividend equivalent” payments in future years, even though the notes were issued before the grandfather date. In addition, non-United States holders that enter, or have entered, into other transactions in respect of the Index or the notes should consult their tax advisors as to the application of the dividend equivalent withholding tax in the context of the notes and their other transactions. If any payments are treated as dividend equivalents subject to withholding, we (or the applicable paying agent) would be entitled to withhold taxes without being required to pay any additional amounts with respect to amounts so withheld.

As discussed above, alternative characterizations of the notes for U.S. federal income tax purposes are possible. Should an alternative characterization, by reason of change or clarification of the law, by regulation or otherwise, cause payments as to the notes to become subject to withholding tax (including withholding on “dividend equivalent” payments), we will withhold tax at the applicable statutory rate. The Internal Revenue Service has also indicated that it is considering whether income in respect of instruments such as the notes should be subject to withholding tax. Prospective investors should consult their own tax advisors in this regard.

Backup Withholding and Information Reporting

Holders may be subject to information reporting. Holders may also be subject to backup withholding on payments in respect of their notes unless they provide proof of an applicable exemption or a correct taxpayer identification number and otherwise comply with applicable requirements of the backup withholding rules. Non-U.S. holders will not be subject to backup withholding if they provide a properly completed Form W-8 appropriate to their circumstances. Amounts withheld under the backup withholding rules are not additional taxes and may be refunded or credited against U.S. federal income tax liability, provided the required information is furnished to the Internal Revenue Service.

The Foreign Account Tax Compliance Act

The Foreign Account Tax Compliance Act ("FATCA") imposes a 30% U.S. withholding tax on certain U.S. source payments, including interest (and original issue discount), dividends, other fixed or determinable annual or periodical gain, profits, and income, and on the gross proceeds from a disposition of property of a type which can produce U.S. source interest or dividends ("Withholdable Payments"), if paid to a foreign financial institution (including amounts paid to a foreign financial institution on behalf of a holder), unless such institution enters into an agreement with the Treasury Department to collect and provide to the Treasury Department substantial information regarding U.S. account holders, including certain account holders that are foreign entities with U.S. owners, with such institution. Account holders subject to information reporting requirements pursuant to FATCA may include holders of the notes. FATCA also generally imposes a withholding tax of 30% on Withholdable Payments made to a non-financial foreign entity unless such entity provides the withholding agent with a certification that it does not have any substantial U.S. owners or a certification identifying the direct and indirect substantial U.S. owners of the entity.

The U.S. Treasury Department and the IRS have announced that withholding on payments of gross proceeds from a sale or redemption of the notes will only apply to payments made after December 31, 2018. However, recently proposed regulations eliminate the requirement of withholding on gross proceeds from the sale or disposition of financial instruments. The U.S. Treasury Department has indicated that taxpayers may rely on these proposed regulations pending their finalization. If we determine withholding is appropriate with respect to the notes, we will withhold tax at the applicable statutory rate, and we will not pay any additional amounts in respect of such withholding. Foreign financial institutions and non-financial foreign entities located in jurisdictions that have an intergovernmental agreement with the United States governing FATCA may be subject to different rules. Holders are urged to consult with their own tax advisors regarding the possible implications of FATCA on their investment in the notes.

EMPLOYEE RETIREMENT INCOME SECURITY ACT

A fiduciary of a pension, profit-sharing or other employee benefit plan subject to the Employee Retirement Income Security Act of 1974, as amended ("*ERISA*" and, each such plan, an "*ERISA Plan*") should consider the fiduciary standards of ERISA in the context of the ERISA Plan's particular circumstances before authorizing an investment in the notes. Among other factors, the fiduciary should consider whether the investment would satisfy the prudence and diversification requirements of ERISA and would be consistent with the documents and instruments governing the ERISA Plan, and whether the investment would involve a prohibited transaction under Section 406 of ERISA or Section 4975 of the Internal Revenue Code (the "*Code*").

Section 406 of ERISA and Section 4975 of the Code prohibit ERISA Plans, individual retirement accounts and Keogh plans subject to Section 4975 of the Code and entities such as collective investment funds, partnerships or separate accounts whose underlying assets are deemed to include "*plan assets*" of such ERISA Plans, accounts or plans (collectively, "*Plans*"), from engaging in certain transactions involving "*plan assets*" with persons who are "*parties in interest*" under ERISA or "*disqualified persons*" under the Code (in either case referred to herein as "*parties in interest*") with respect to such Plans. As a result of our business, we and our current and future affiliates may be parties in interest with respect to many Plans. Where the Bank of Montreal or our affiliate is or becomes a party in interest with respect to a Plan, the purchase and holding of the notes by or on behalf of the Plan could be a prohibited transaction under Section 406 of ERISA and/or Section 4975 of the Code and result in civil penalties or other liabilities under ERISA or an excise tax under Section 4975 of the Code unless such acquisition and holding is pursuant to and in accordance with applicable statutory, regulatory or administrative relief.

In this regard, Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code provide an exemption for the purchase and sale of securities and related lending transactions where neither Bank of Montreal nor any of its affiliates have or exercise any discretionary authority or control or render any investment advice with respect to the assets of the Plan involved in the transaction and the Plan pays no more and receives no less than "*adequate consideration*" in connection with the transaction (the "S*ervice Provider Exemption*"). Moreover, the United States Department of Labor has issued five prohibited transaction class exemptions, or "*PTCEs*", that may provide exemptive relief if required for direct or indirect prohibited transactions that may arise from the purchase or holding of the notes. Those exemptions are:

- PTCE 84-14, an exemption for certain transactions determined or effected by independent qualified professional asset managers;
- PTCE 90-1, an exemption for certain transactions involving insurance company pooled separate accounts;
- PTCE 91-38, an exemption for certain transactions involving bank collective investment funds;

- PTCE 95-60, an exemption for transactions involving certain insurance company general accounts; and

- PTCE 96-23, an exemption for plan asset transactions managed by in-house asset managers.

Accordingly, the notes may not be purchased or held by any Plan or any person investing "*plan assets*" of any plan, unless in each case the purchaser or holder is eligible for exemptive relief under one or more of the PTCEs listed above or under the Service Provider Exemption or there is some other basis on which the purchase and holding of the notes will not constitute a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code. Each purchaser or holder of the notes or any interest therein will therefore be deemed to have represented by such purchase and holding that it either (1) is not a Plan and is not purchasing the notes on behalf of or with "*plan assets*" of any Plan or (2) its purchase and holding of the notes will not result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code.

Certain employee benefit plans and arrangements including those that are governmental plans (as defined in section 3(32) of ERISA), church plans (as defined in Section 3(33) of ERISA) and non-U.S. plans (as described in Section 4(b)(4) of ERISA) (collectively, *"Non-ERISA Arrangements*") are not subject to the prohibited transaction rules of Section 406 of ERISA or Section 4975 of the Code, but may be subject to similar rules under applicable laws or regulations ("S*imilar Laws*"). As such, any purchaser or holder of the notes or any interest in the notes which is, or is investing the assets of, a non-ERISA arrangement will be deemed to have represented by its purchase and holding of the notes that such purchase and holding will not violate the provisions of any Similar Laws.

Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is important that fiduciaries or other persons considering purchasing the notes on behalf of or with "*plan assets*" of any Plan or non-ERISA arrangement consult with their counsel regarding the availability of exemptive relief under any of the PTCEs listed above, the Service Provider Exemption or any other applicable exemption, or the potential consequences of any purchase or holding under Similar Laws, as applicable. If you are an insurance company or the fiduciary of a pension plan or an employee benefit plan, and propose to invest in the notes, you should consult your legal counsel.

None of the Transaction Parties is undertaking to provide impartial investment advice, or to give advice in a fiduciary capacity, in connection with the acquisition or holding of notes by any Plan or Non-ERISA Arrangement. Each purchaser and holder of the notes has exclusive responsibility for ensuring that its purchase, holding and subsequent disposition of the notes do not violate the fiduciary or prohibited transaction rules of ERISA, the Code or any Similar Laws. The sale of notes to any Plan or Non-ERISA Arrangement is in no respect a representation by Bank of Montreal of any of our affiliates or any other Transaction Party that such an investment is appropriate for, or meets all applicable legal requirements with respect to investments by, Plans or Non-ERISA Arrangements generally or any particular Plan or Non-ERISA Arrangement.

SUPPLEMENTAL PLAN OF DISTRIBUTION (CONFLICTS OF INTEREST)

The terms and conditions set forth in the Distribution Agreement dated September 23, 2018 between Bank of Montreal and the Agents party thereto, including BMOCM, govern the sale and purchase of the notes.

On the Initial Trade Date, we sold an aggregate of $25,000,000 principal amount of the notes through BMOCM and through one or more dealers purchasing as principal through BMOCM for $50 per note. We received proceeds equal to 100% of the offering price of those notes.

Additional notes may be offered and sold after the Initial Trade Date from time to time through BMOCM and one or more dealers at a price that is higher or lower than the stated principal amount, based on the Indicative Note Value at that time. Sales of the notes after the Initial Trade Date will be made at market prices prevailing at the time of sale, at prices related to market prices or at negotiated prices. We will receive proceeds equal to 100% of the price that the notes are sold to the public, less any commissions paid to BMOCM or any other dealer. In addition, BMOCM may receive a portion of the Daily Investor Fee. We may not sell the full amount of notes offered by this pricing supplement, and may discontinue sales of the notes at any time.

We may deliver notes against payment therefor on a date that is greater than two business days following the date of sale of any notes. Under Rule 15c6-1 of the Securities Exchange Act of 1934, trades in the secondary market generally are required to settle in two business days, unless parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to transact in notes that are to be issued more than two business days after the related trade date will be required to specify alternative settlement arrangements to prevent a failed settlement.

BMOCM and any other agent and dealer in the initial and any subsequent distribution are expected to charge normal commissions for the purchase of the notes.

Broker-dealers may make a market in the notes, although none of them are obligated to do so and any of them may stop doing so at any time without notice. This prospectus (such term includes this pricing supplement and the accompanying prospectus supplement and prospectus) may be used by such dealers and our affiliates in connection with market-making transactions. In these transactions, dealers may resell an note covered by this prospectus that they acquire from us, BMOCM or other holders after the original offering and sale of the notes, or they may sell any notes covered by this prospectus in short sale transactions. This prospectus will be deemed to cover any short sales of notes by market participants who cover their short positions with notes borrowed or acquired from us or our affiliates in the manner described above.

Broker-dealers and other market participants are cautioned that some of their activities, including covering short sales with notes borrowed from us or one of our affiliates, may result in their being deemed participants in the distribution of the notes in a manner that would render them statutory underwriters and subject them to the prospectus delivery and liability provisions of the Securities Act of 1933 (the "Securities Act"). A determination of whether a particular market participant is an underwriter must take into account all the facts and circumstances pertaining to the activities of the participant in the particular case, and the example mentioned above should not be considered a complete description of all the activities that would lead to designation as an underwriter and subject a market participant to the prospectus delivery and liability provisions of the Securities Act.

BMOCM or another FINRA member will provide certain services relating to the distribution of the notes and may be paid a fee for its services equal to all, or a portion of, the Investor Fee. BMOCM may also pay fees to other dealers pursuant to one or more separate agreements. Any portion of the Investor Fee paid to BMOCM or such other FINRA member will be paid on a periodic basis over the term of the notes. Although BMOCM will not receive any discounts in connection with such sales, BMOCM is expected to charge normal commissions for the purchase of any such notes.

BMOCM will act as our agent in connection with any redemptions at the investor's option, and the Redemption Fee Amount applicable to any such redemptions will be paid to us. Additionally, it is possible that BMOCM and its affiliates may profit from expected hedging activities related to this offering, even if the value of the notes declines.

The notes are not intended for purchase by any investor that is not a United States person, as that term is defined for U.S. federal income tax purposes, and no dealer may make offers of the notes to any such investor.

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

Conflicts of Interest

BMOCM is an affiliate of Bank of Montreal and, as such, has a “conflict of interest” in this offering within the meaning of FINRA Rule 5121. Consequently, the offering is being conducted in compliance with the provisions of Rule 5121. BMOCM is not permitted to sell notes in this offering to an account over which it exercises discretionary authority without the prior specific written approval of the account holder.

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 the notes have been validly executed, authenticated 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, 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 September 23, 2018, which has been filed as Exhibit 5.3 to Bank of Montreal's Form 6-K filed with the SEC and dated September 23, 2018.

In the opinion of Morrison & Foerster LLP, when the notes have been issued and sold as contemplated by the pricing supplement, prospectus supplement and the prospectus, the notes will be valid, binding and enforceable obligations of Bank of Montreal, entitled to the benefits of the Senior 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 Senior 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 September 23, 2018, which has been filed as Exhibit 5.4 to the Bank's Form 6-K and dated September 23, 2018.

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ANNEX A

NOTICE OF EARLY REDEMPTION

To: [ ].com

Subject: Notice of Early Redemption, CUSIP No.: 063679765

[BODY OF EMAIL]

Name of broker: [ ]

Name of beneficial holder: [ ]

Number of Notes to be redeemed: [ ]

Applicable Redemption Measurement Date: [ ], 20[ ][*]

Broker Contact Name: [ ]

Broker Telephone #: [ ]

Broker DTC # (and any relevant sub-account): [ ]

The undersigned acknowledges that in addition to any other requirements specified in the pricing supplement relating to the notes being satisfied, the notes will not be redeemed unless (i) this notice of redemption is delivered to BMO Capital Markets Corp. (“BMO Capital Markets”) by 2:00 p.m. (New York City time) on the Index Business Day prior to the applicable Redemption Measurement Date; (ii) the confirmation, as completed and signed by the undersigned is delivered to BMO Capital Markets by 5:00 p.m. (New York City time) on the same day the notice of redemption is delivered; (iii) the undersigned has booked a delivery vs. payment (“DVP”) trade on the applicable Redemption Measurement Date, facing BMO Capital Markets DTC 5257 and (iv) the undersigned instructs DTC to deliver the DVP trade to BMO Capital Markets as booked for settlement via DTC at or prior to 10:00 a.m. (New York City time) on the applicable Redemption Date.

The undersigned further acknowledges that the undersigned has read the section “Risk Factors — You will not know the Redemption Amount at the time you elect to request that we redeem your notes” in the pricing supplement relating to the notes and the undersigned understands that it will be exposed to market risk on the Redemption Measurement Date.

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* Subject to adjustment as described in the pricing supplement relating to the notes.

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ANNEX B

BROKER'S CONFIRMATION OF REDEMPTION

[TO BE COMPLETED BY BROKER]

Dated:

BMO Capital Markets Corp.

BMO Capital Markets, as Calculation Agent

e-mail: [ ]

To Whom It May Concern:

The holder of $[ ] MicroSectors™ U.S. Big Banks Index Inverse ETNs due March 25, 2039, CUSIP No. 063679765 (the "notes") hereby irrevocably elects to receive a cash payment on the Redemption Date* of [holder to specify] with respect to the number of notes indicated below, as of the date hereof, the redemption right as described in the pricing supplement relating to the notes (the "Prospectus"). Terms not defined herein have the meanings given to such terms in the Prospectus.

The undersigned certifies to you that it will (i) book a DVP trade on the applicable Redemption Measurement Date with respect to the number of notes specified below at a price per note equal to the Redemption Amount, facing BMO Capital Markets DTC 5257 and (ii) deliver the trade as booked for settlement via DTC at or prior to 10:00 a.m. (New York City time) on the applicable Redemption Date.

The undersigned acknowledges that in addition to any other requirements specified in the Prospectus being satisfied, the notes will not be redeemed unless (i) this confirmation is delivered to BMO Capital Markets by 5:00 p.m. (New York City time) on the same day the notice of redemption is delivered; (ii) the undersigned has booked a DVP trade on the applicable Redemption Measurement Date, facing BMO Capital Markets DTC 5257; and (iii) the undersigned will deliver the DVP trade to BMO Capital Markets as booked for settlement via DTC at or prior to 10:00 a.m. (New York City time) on the applicable Redemption Date.

Very truly yours,
[NAME OF DTC PARTICIPANT HOLDER]

Name:
Title:
Telephone:
Fax:
E-mail:

Number of notes surrendered for redemption: ________

DTC # (and any relevant sub-account): ________

Contact Name: ________

Telephone: ________

Fax: ________

E-mail: ________

(At least 25,000 notes must be redeemed at one time to receive a cash payment on any Redemption Date.)

* Subject to adjustment as described in the pricing supplement relating to the notes.

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