BANK OF MONTREAL /CAN/
Form 424B2
July 09, 2013

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

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Subject to Completion, dated July 8, 2013
Pricing Supplement to the Prospectus dated June 22, 2011 and the Prospectus Supplement dated June 22, 2011
US$ 1
Senior Medium-Term Notes, Series B
Range Accrual Notes with Contingent Downside Protection, due July 31, 2018
Linked to the S&P 500® Index

- This pricing supplement relates to an offering of Range Accrual Notes with Contingent Downside Protection. The return on the notes is linked to the S&P 500® Index (the "Index").
- An investor in the notes may lose all or a portion of their principal amount at maturity.
- The payment at maturity will be based on the closing level of the Index on the valuation date. If the closing level of the Index on the valuation date is less than 80% of the closing level of the Index on the pricing date, investors will lose 1% of their principal amount for each 1% decrease in the Index from the pricing date to the valuation date.
- Interest on the notes will be determined and paid on a quarterly basis. For each interest period (as defined below), interest will be paid in an amount equal to 1.45% of the principal amount, multiplied by the applicable Accrual Factor (as defined below). Interest, if any, will be paid on the final business day of January, April, July and October of each year, beginning on October 31, 2013.
- The Accrual Factor will be equal to N/D.

"N" will be the total number of calendar days during the applicable interest period on which the closing level of the Index is greater than or equal to 80% of the level of the Index on the pricing date (the "Reference Level").

"D" will be the total number of calendar days in the applicable interest period.

- Interest will not accrue on any day on which the closing level of the Index is less than the Reference Level. It is possible that you will receive no interest payments, or very low interest payments, during one or more interest periods.
- All payments on the notes are subject to the credit risk of Bank of Montreal.
- The offering is expected to price on July 26, 2013, and the notes are expected to settle on or about July 31, 2013.
- The notes are scheduled to mature on July 31, 2018.
- The notes will be issued in minimum denominations of $1,000 and integral multiples of $1,000.
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Our subsidiary, BMO Capital Markets Corp. ("BMOCM"), is the agent for this offering. See "Supplemental Plan of Distribution (Conflicts of Interest)" below.

Investing in the notes involves risks, including those described in the "Risk Factors" sections beginning on page PS-6 of this pricing supplement, beginning on page S-3 of the prospectus supplement and on page 7 of the prospectus.
Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the notes or passed upon the accuracy of this pricing supplement, the prospectus supplement or the prospectus. Any representation to the contrary is a criminal offense.
The notes will be our unsecured obligations and will not be savings accounts or deposits that are insured by the United States Federal Deposit Insurance Corporation, the Bank Insurance Fund, the Canada Deposit Insurance Corporation or any other governmental agency or instrumentality or other entity.
On the date of this preliminary pricing supplement, the estimated initial value of the notes is $939.50 per $1,000 in principal amount based on the terms set forth above. The estimated initial value of the notes on the pricing date may differ from this value but will not be less than $925.00 per $1,000 in principal amount. However, as discussed in more detail in this pricing supplement, the actual value of the notes at any time will reflect many factors and cannot be predicted with accuracy.

	Price to Public	Agent's Commission(1)	Proceeds to Bank of Montreal
Per Note	US$1,000	US$	US$
Total	US$	US$	US$

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

BMO CAPITAL MARKETS

SUMMARY INFORMATION

Index:	S&P 500® Index (Bloomberg symbol: SPX). See the section below entitled "The S&P 500® Index" for additional information about the Index.
Payment at Maturity:	If the Final Level is greater than or equal to the Trigger Level, then investors will receive at maturity the principal amount of the notes, plus any accrued and unpaid interest. If the Final Level is less than the Trigger Level, then the amount that investors will receive at maturity, in addition to any accrued and unpaid interest, will equal: Principal Amount + (Principal Amount × Percentage Change)
Initial Level:	The closing level of the Index on the pricing date. The Initial Level will be set forth in the final pricing supplement for the notes.
Final Level:	The closing level of the Index on the valuation date.
Trigger Level:	80% of the Initial Level
Trigger Percentage:	20%. Accordingly, you will receive the principal amount of your notes at maturity only if the level of the Index does not decrease by more than 20% from the Initial Level to the Final Level. If the Final Level is less than the Trigger Level, you will receive less than the principal amount of your notes at maturity, and you could lose some or all of the principal amount of your notes. Whether the Final Level is less than the Trigger Level will be determined only on the valuation date, and not on any day prior to the valuation date.
Percentage Change:	Final Level – Initial Level, expressed as a percentage. Initial Level
Interest:	Each quarterly interest period, the notes will pay an amount of interest that will be calculated as follows: Principal Amount x Base Interest Rate x Accrual Factor The interest that accrues during each interest period will be paid on the interest payment date that follows the end of that interest period.
Base Interest Rate:	1.45% for each interest period. In no event will the annualized interest rate applicable to any quarterly interest period be greater than 5.80% or less than 0.00%.
Accrual Factor:	The Accrual Factor will be equal to N/D.

	"N" will be the total number of calendar days during the applicable interest period on which the closing level of the Index is greater than or equal to the Reference Level. "D" will be the total number of calendar days during the applicable interest period. During the term of the notes, interest will not accrue on any day on which the closing level of the Index is less than the Reference Level. If the closing level of the Index is less than the Reference Level on each day during an interest period, then investors will not receive an interest payment on the applicable interest payment date. If any calendar day during the applicable interest period is not a trading day, or if a market disruption event (as defined below) occurs on a trading day, the closing level for that day will be the closing level on the trading day immediately prior to that day on which a market disruption event has not occurred or is not continuing. Accordingly, in most weeks, the closing level of the Index on Friday will be used for three calendar days: that Friday, and the following Saturday and Sunday.
Reference Level:	80% of the Initial Level. The actual Reference Level will be set forth in the final pricing supplement relating to the notes.

Interest Periods: The notes will accrue interest during the following 20 quarterly interest periods:

From and Including:	To and Including:
July 27, 2013	October 28, 2013
October 29, 2013	January 28, 2014
January 29, 2014	April 25, 2014
April 26, 2014	July 28, 2014
July 29, 2014	October 28, 2014
October 29, 2014	January 27, 2015
January 28, 2015	April 27, 2015
April 28, 2015	July 28, 2015
July 29, 2015	October 27, 2015
October 28, 2015	January 26, 2016
January 27, 2016	April 26, 2016
April 27, 2016	July 26, 2016
July 27, 2016	October 26, 2016
October 27, 2016	January 26, 2017
January 27, 2017	April 25, 2017
April 26, 2017	July 26, 2017
July 27, 2017	October 26, 2017
October 27, 2017	January 26, 2018
January 27, 2018	April 25, 2018
April 26, 2018	July 26, 2018

The initial interest period will begin on the trading day immediately following the pricing date, and the final interest period is scheduled to end on the valuation date. No interest will accrue after the valuation date.

Interest Payment Dates:	Interest on the notes will be payable quarterly in arrears on the final business day of January, April, July and October of each year, beginning on October 31, 2013, and ending on the maturity date, subject to postponement as described below. See "Description of the Notes—Interest" below.
Pricing Date:	On or about July 26, 2013
Settlement Date:	On or about July 31, 2013
Valuation Date:	On or about July 26, 2018
Maturity Date:	On or about July 31, 2018
Automatic Redemption:	The notes are not redeemable at our option or at the option of the note holders.
CUSIP Number:	06366RPQ2

Calculation Agent:	BMOCM
Selling Agent:	BMOCM

The pricing date and the settlement date are subject to change. The actual pricing date, settlement date, interest payment dates, valuation date and maturity date for the notes will be set forth in the final pricing supplement.

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

Examples of the Hypothetical Payment at Maturity for a $1,000 Investment in the Notes

The following table and examples illustrate the hypothetical payments on the notes at maturity, excluding interest payments, if any. The hypothetical payments are based on a $1,000 investment in the notes, a hypothetical Initial Level of 1,600, a hypothetical Trigger Level of 1,280 (80% of the hypothetical Initial Level) and a range of hypothetical Final Levels.

The hypothetical examples shown below are intended to help you understand the terms of the notes. The actual payment at maturity will be depend on whether the Final Level has declined from the Initial Level to a level that is less than the Trigger Level.

Hypothetical Final Level	Percentage Change	Payment at Maturity
2,080	30%	$1,000.00
1,920	20%	$1,000.00
1,840	15%	$1,000.00
1,760	10%	$1,000.00
1,680	5%	$1,000.00
1,600	0%	$1,000.00
1,520	-5%	$1,000.00
1,360	-15%	$1,000.00
1,296	-19%	$1,000.00
1,280	-20%	$1,000.00
1,200	-25%	$750.00
1,120	-30%	$700.00
800	-50%	$500.00
0	-100%	$0.00

The following examples illustrate how the hypothetical amounts payable at maturity set forth in the above table are calculated.

Example 1: The level of the Index decreases from the hypothetical Initial Level of 1,600 to a hypothetical Final Level of 1,120, representing a Percentage Change of -30%. Because the hypothetical Final Level of 1,120 is less than the hypothetical Trigger Level, the investor receives a payment at maturity of $700 per $1,000 in principal amount of the notes, calculated as follows:

Principal Amount + (Principal Amount x Percentage Change) = Payment at Maturity

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

Example 2: The level of the Index decreases from the hypothetical Initial Level of $1,600 to a hypothetical Final Level of 1,280, representing a Percentage Change of -20%. Because the hypothetical Final Level of 1,280 is equal to the Trigger Level, the investor receives a payment at maturity of $1,000 per $1,000 in principal amount of the notes.

Example 3: The level of the Index increases from the hypothetical Initial Level of $1,600 to a hypothetical Final Level of 1,920, representing a Percentage Change of 20%. Because the hypothetical Final Level of 1,920 is greater than the Trigger Level, the investor receives a payment at maturity of $1,000 per $1,000 in principal amount of the notes.

Examples of Hypothetical Interest Payments for a $1,000 Investment in the Notes

The table below presents examples of the hypothetical amount of interest (rounded to two decimal places) that would be paid on the notes for an interest period based on the number of calendar days on which the closing level of the Index was greater than or equal to the Reference Level during that interest period. The examples below are based on a Base Interest Rate of 1.45% per interest period. The examples below are for purposes of illustration only and would provide different results if different assumptions were made. The actual interest payments in respect of each interest period will depend on the actual number of calendar days in that interest period and the actual closing level on each calendar day during that period. A separate Accrual Factor will be determined for each interest period.

Hypothetical Total Number of Calendar Days on which the Closing Level was Greater Than or Equal to the Reference Level During an Interest Period	Hypothetical Total Number of Calendar Days During an Interest Period	Hypothetical Accrual Factor	Hypothetical Interest Payment on the Relevant Interest Payment Date
45	92	48.91%	$7.09
0	92	0.00%	$0.00
10	89	11.24%	$1.63
15	92	16.30%	$2.36
90	92	97.83%	$14.19
87	92	94.57%	$13.71
30	90	33.33%	$4.83
40	91	43.96%	$6.37
92	92	100.00%	$14.50
20	92	21.74%	$3.15
15	88	17.05%	$2.47
10	91	10.99%	$1.59
92	92	100.00%	$14.50
35	92	38.04%	$5.52
60	91	65.93%	$9.56
15	91	16.48%	$2.39
0	92	0.00%	$0.00
91	91	100.00%	$14.50
91	91	100.00%	$14.50
91	91	100.00%	$14.50

Additional Terms of the Notes

You should read this pricing supplement together with the prospectus supplement dated June 22, 2011 and the prospectus dated June 22, 2011. This pricing supplement, together with the documents listed below, contains the terms of the notes and supersedes all other prior or contemporaneous oral statements as well as any other written materials including preliminary or i