

BANK OF MONTREAL /CAN/
Form 424B2
September 22, 2015
Registration Statement No. 333-196387

Filed Pursuant to Rule 424(b)(2)

Pricing Supplement dated September 18, 2015
(To the Prospectus dated June 27, 2014 and
the Prospectus Supplement dated June 27, 2014)

\$21,995,000

Senior Medium-Term Notes, Series C

Raymond James Housing Opportunity Series 2 Equity Linked Notes – Notes Linked to a Fixed Basket of 13 Common
Equity Securities, due September 30, 2016

· The notes are linked to a basket of the common equity securities (each, a “Reference Share” and together, the “Basket”) of 13 housing-related companies (each, a “Reference Share Issuer”). The Reference Shares were selected in August 2015 by Raymond James & Associates, Inc. (“Raymond James”) as discussed in more detail below. The weighting of the Basket is set forth below.

· You may lose all or a portion of the principal amount of your notes at maturity.

· The Reference Shares are: Apartment Investment & Management Company (“AIV”); American Homes 4 Rent (“AMH”); American Residential Properties, Inc. (“ARPI”); Catchmark Timber Trust, Inc. (“CTT”); D.R. Horton, Inc. (“DHI”); St. Joe Company (“JOE”); Mohawk Industries, Inc. (“MHK”); Potlatch Corporation (“PCH”); PGT, Inc. (“PGTI”); Post Properties, Inc. (“PPS”); Toll Brothers, Inc. (“TOL”); WCI Communities, Inc. (“WCIC”); and Weyerhaeuser Company (“WY”).

· The notes may pay interest on December 31, 2015, March 31, 2016, June 30, 2016 and the maturity date. The amount of any interest to be paid on the notes will not be fixed, and will depend upon the total dividends paid on the Reference Shares during the preceding quarter, as described in more detail below.

· On the maturity date, the amount that we will pay to you for each \$1,000 in principal amount of the notes (the “Redemption Amount”) will depend upon the performance of the Basket over the term of the notes. As described in more detail below, the Redemption Amount will be less than the price to the public set forth below if the “Basket Level Percentage” (as defined below) is not at least approximately 103.09%. We describe in more detail below how the payment at maturity will be determined.

· All payments on the notes are subject to our credit risk.

· The notes will not be listed on any securities exchange or quotation system.

· The CUSIP number of the notes is 06366RY25.

· 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 “Additional Risk Factors” section beginning on page PS-7 of this pricing supplement, and the “Risk Factors” sections beginning on page S-1 of the prospectus supplement and page 7 of the prospectus.

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Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these notes or passed upon the accuracy of this pricing supplement, the 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 pricing date, the estimated initial value of the notes was \$965.50 per \$1,000 in principal amount. 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)(2)	Proceeds to Us
Per \$1,000 of the Notes	US\$1,000.00	US\$20.00	US\$980.00
Total	US\$21,995,000.00	US\$439,900.00	US\$21,555,100.00

(1)\$20.00per \$1,000 in principal amount per note will be received by Raymond James for its services acting as a dealer in connection with the distribution of the notes.

(2)Please see “Supplemental Plan of Distribution (Conflicts of Interest)” in this pricing supplement.

BMO Capital Markets

KEY TERMS OF THE NOTES

This section summarizes the terms of the notes, and should be read together with the additional information in this pricing supplement, including the information set forth below under the captions “Additional Risk Factors” and “Description of the Notes.”

Pricing Date of the Notes: September 18, 2015

Issue Date of the Notes: September 25, 2015

Issue Price of the Notes: \$1,000 per \$1,000 in principal amount of the notes.

Reference Shares: The 13 Reference Shares set forth on the cover page of this pricing supplement. The Reference Shares are housing-related securities selected by the Equity Research Department of Raymond James based on its belief that certain U.S. companies may benefit from the continuing recovery in the U.S. housing sector, as discussed in the section below, “Description of the Reference Shares—Selection of the Basket.”

Redemption Amount: The amount that you will receive at maturity for each \$1,000 in principal amount of the notes will depend upon the performance of the Basket. The Redemption Amount will equal (a) the product of (i) \$1,000 and (ii) the Basket Level Percentage multiplied by (b) the Participation Rate.

As discussed in more detail below, the Basket Level Percentage must exceed approximately 103.09% in order for you to receive a Redemption Amount per \$1,000 in principal amount of the notes that exceeds the principal amount. In addition, the Redemption Amount could be substantially less than the principal amount of the notes.

Reference Share Weighting: For each Reference Share other than American Residential Properties, Inc. (“ARPI”), Catchmark Timber Trust, Inc. (“CTT”) and WCI Communities, Inc., 8.5%. For ARPI, 5.50%, for CTT, 2.75%, and for WCIC, 6.75%, due to their lower liquidity.

Reference Share Performance: The Reference Share Performance will measure the change in value of each Reference Share over the term of the notes. For each Reference Share, the Reference Share Performance will equal (a) the applicable Adjusted Final Share Price divided by (b) the applicable Adjusted Initial Share Price, expressed as a percentage. See “Description of the Notes—Payment at Maturity.”

Weighted Reference Share Performance: For each Reference Share, the product of (a) its Reference Share Performance and (b) the Reference Share Weighting.

Participation Rate: 97.00%. Because the Participation Rate is less than 100%, the Basket Level Percentage must exceed approximately 103.09% in order for you to receive a Redemption Amount per \$1,000 in principal amount of the notes that exceeds the principal amount of the notes. In addition, because the Participation Rate is less than 100%, the interest payments you receive on the notes will be less than the applicable Dividend Amounts.

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Basket Level Percentage:	The sum of the Weighted Reference Share Performances.
Average Intra-day Price:	With respect to a Reference Share and any averaging date, the arithmetic mean of the prices at which we or any of our affiliates (which may include the calculation agent) acquires, establishes, reestablishes, substitutes, maintains, unwinds or disposes of, as the case may be, of any transactions or assets relating to that Reference Share as we deem necessary to hedge our obligations with respect to the notes.
Unadjusted Initial Share Price:	The arithmetic mean of the Average Intra-day Prices on each averaging date.

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Adjusted Initial Share Price: The Adjusted Initial Share Price of each Reference Share was determined over the three averaging dates set forth below. For each Reference Share, the Adjusted Initial Share Price equals the sum of (a) the Unadjusted Initial Share Price and (b) \$0.01. The Adjusted Initial Share Price for each Reference Share is:

Reference Share	Ticker	Adjusted Initial Share Price
Apartment Investment & Management Company	AIV	\$36.4749
American Homes 4 Rent	AMH	\$16.3986
American Residential Properties, Inc.	ARPI	\$17.3332
Catchmark Timber Trust, Inc.	CTT	\$10.7439
D.R. Horton, Inc.	DHI	\$30.9163
St. Joe Company	JOE	\$17.8919
Mohawk Industries, Inc.	MHK	\$201.4102
Potlatch Corporation	PCH	\$30.8688
PGT, Inc.	PGTI	\$13.6362
Post Properties, Inc.	PPS	\$58.7158
Toll Brothers, Inc.	TOL	\$36.3803
WCI Communities, Inc.	WCIC	\$24.1656
Weyerhaeuser Company	WY	\$28.1294

Adjusted Final Share Price: For one Reference Share, the arithmetic mean of the closing price on the valuation dates, minus \$0.01.

Averaging Dates: September 18, 2015, September 21, 2015 and September 22, 2015.

Valuation Dates: The valuation dates will occur on three trading days occurring shortly before the maturity date. The scheduled valuation dates are: September 23, 2016, September 26, 2016 and September 27, 2016.

Maturity Date: September 30, 2016

Interest Payment Dates: December 31, 2015, March 31, 2016, June 30, 2016 and September 30, 2016 (the maturity date).

Interest Calculation Dates: December 28, 2015, March 28, 2016, June 27, 2016 and September 27, 2016 (the final valuation date).

Calculation of Interest Payments: The amount of each interest payment, if any, will depend upon the amount of dividends paid on each Reference Share during the Interest Calculation Period preceding each interest payment date, and will equal, for each \$1,000 in principal amount, (a) the sum of the Dividend Amounts for each of the Reference Shares multiplied by (b) the Participation Rate.

Interest Calculation Period: The first Interest Calculation Period will commence on the second averaging date and end on the first Interest Calculation Date.

Each subsequent Interest Calculation Period will begin on the trading day following an Interest Calculation Date and end on the next Interest Calculation Date. The final Interest Calculation Date will occur on the final valuation date.

Dividend Amount: For each Reference Share, an amount in U.S. dollars equal to (a) \$1,000 divided by the applicable Adjusted Initial Share Price multiplied by (b) the applicable Reference Share Weighting multiplied by (c) 100% of the gross cash distributions (including ordinary and extraordinary dividends) per Reference Share declared by the applicable Reference Share Issuer where the date that the applicable Reference Share has commenced trading ex-dividend on its primary U.S. securities exchange as to each relevant distribution occurs during the relevant Interest Calculation Period, determined as described in more detail in the section below, “Description of the Notes—Payment at Maturity.”

Calculation Agent: BMO Capital Markets Corp. (“BMOCM”)

CUSIP: 06366RY25

Distribution: 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.

Each valuation date for any Reference Share, as well as the maturity date, are subject to postponement in the event of a Market Disruption Event with respect to an applicable Reference Share, as described in the section “Description of the Notes – Market Disruption Events” in this 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.

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HYPOTHETICAL PAYMENTS ON THE NOTES AT MATURITY

The following hypothetical examples are provided for illustration purposes only and are hypothetical; they do not purport to be representative of every possible scenario concerning increases or decreases in the value of the Basket and the related effect on the Redemption Amount. The following hypothetical examples illustrate the payment you would receive on the maturity date if you purchased \$1,000 in principal amount of the notes. Numbers appearing in the examples below have been rounded for ease of analysis. The examples below assume a Participation Rate of 97.00%. This table does not reflect any interest that may be paid on the notes.

Basket Level Percentage	Redemption Amount per \$1,000 in Principal Amount	Percentage Gain (or Loss) per \$1,000 in Principal Amount
140.00%	\$1,358.00	35.80%
130.00%	\$1,261.00	26.10%
120.00%	\$1,164.00	16.40%
110.00%	\$1,067.00	6.70%
103.09% (1)	\$1,000.00	0.00%
100.00% (2)	\$970.00	-3.00%
90.00%	\$873.00	-12.70%
80.00%	\$776.00	-22.40%
70.00%	\$679.00	-32.10%
60.00%	\$582.00	-41.80%

(1) For you to receive a Redemption Amount greater than the principal amount the notes, the Basket Level Percentage must be greater than approximately 103.09% due to the effect of the Participation Rate being only 97.00%.

(2) If the Basket Level Percentage is not at least approximately 103.09%, you will lose some or all of the principal amount of the notes.

Please see the sections below, “Additional Risk Factors—General Risks Relating to the Notes—Your investment may result in a loss” and “—The notes will not reflect the full performance of the Reference Shares, which may negatively impact your return on the notes.”

ADDITIONAL TERMS OF THE NOTES

You should read this pricing supplement together with the prospectus supplement dated June 27, 2014 and the prospectus dated June 27, 2014. This pricing supplement, together with the documents listed below, contains the terms of the notes and supersedes all other prior or contemporaneous oral statements as well as any other written materials including preliminary or indicative pricing terms, correspondence, trade ideas, structures for implementation, sample structures, fact sheets, brochures or other educational materials of ours or the agent. You should carefully consider, among other things, the matters set forth in “Additional Risk Factors” in this pricing supplement, as the notes involve risks not associated with conventional debt securities. We urge you to consult your investment, legal, tax, accounting and other advisers before you invest in the notes.

You may access these documents on the SEC website at www.sec.gov as follows (or if such address has changed, by reviewing our filings for the relevant date on the SEC website):

- Prospectus supplement dated June 27, 2014:
<http://www.sec.gov/Archives/edgar/data/927971/000119312514254915/d750935d424b5.htm>

- Prospectus dated June 27, 2014:
<http://www.sec.gov/Archives/edgar/data/927971/000119312514254905/d749601d424b2.htm>

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

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ADDITIONAL RISK FACTORS

An investment in the notes involves risks. This section describes significant risks relating to the terms of the notes. The notes are a riskier investment than ordinary debt securities. In addition, the notes are not equivalent to investing directly in the Reference Shares. Before investing in the notes, you should read the following information about these risks, together with the other information contained in or incorporated by reference in the prospectus supplement and prospectus.

General Risks Relating to the Notes

Your investment in the notes may result in a loss. The notes do not guarantee any return of principal. The amount payable on the notes at maturity will depend on the performance of the Reference Shares and the applicable Dividend Amount and may be less, and possibly significantly less, than your initial investment. If the prices of the Reference Shares decrease, the payment at maturity may be less than the principal amount. In addition, because the Participation Rate is only 97.00%, the Basket Level Percentage must exceed approximately 103.09% in order for you to receive a Redemption Amount per \$1,000 in principal amount of the notes that exceeds the principal amount. You may lose all or a substantial portion of the amount that you invested to purchase the notes. You may incur a loss, even if the Basket Level Percentage is positive (but less than approximately 103.09%). Please also see “—The notes will not reflect the full performance of the Reference Shares, which may negatively impact your return on the notes.”

The notes may not pay interest and your return may be lower than the return on a conventional debt security of comparable maturity. There may be no periodic interest payments on the notes, and any such payments may be less than there would be on a conventional fixed-rate or floating-rate debt security having the same maturity. The amount of each interest payment, if any, will depend upon the amount of dividends paid on each Reference Share during the Interest Calculation Period preceding each interest payment date, as adjusted by the Participation Rate. The yield that you will receive on your notes, which could be negative, may be less than the yield you could earn if you purchased a standard senior debt security of Bank of Montreal with the same maturity date. Your investment may not reflect the full opportunity cost to you when you take into account factors that affect the time value of money.

Owning the notes is not the same as owning the Reference Shares or a security directly linked to the performance of the Reference Shares. The return on your notes will not reflect the return you would realize if you actually owned the Reference Shares or a security directly linked to the performance of the Reference Shares and held that investment for a similar period. Your notes may trade quite differently from the Reference Shares. Changes in the prices and dividend yields of the Reference Shares may not result in comparable changes in the market value of your notes. Even if the prices and dividend yields of the Reference Shares increase during the term of the notes, the market value of the notes prior to maturity may not increase to the same extent. It is also possible for the market value of the notes to decrease while the prices and dividend yields of the Reference Shares increase.

Our initial estimated value of the notes is lower than the price to public. Our initial estimated value of the notes is only an estimate, and is based on a number of factors. The price to public of the notes exceeds our initial estimated value, because, among other things, costs associated with offering, structuring and hedging the notes are included in the price to public, but are not included in the estimated value. These costs include the agent's commission, and the profits that we and our affiliates expect to realize for assuming the risks in hedging our obligations under the notes and the estimated cost of hedging these obligations.

Our initial estimated value does not represent any future value of the notes, and may also differ from the estimated value of any other party. Our initial estimated value of the notes as of the pricing date was derived using our internal pricing models. This value is based on market conditions, interest rates, and other relevant factors. Different pricing models and assumptions could provide values for the notes that are greater than or less than our initial estimated

value. In addition, market conditions and other relevant factors after the pricing date are expected to change, possibly rapidly, and our assumptions may prove to be incorrect. After the pricing date, the value of the notes could change dramatically due to changes in market conditions, our creditworthiness, and the other factors set forth in this pricing supplement. These changes are likely to impact the price, if any, at which we or BMOCM would be willing to purchase the notes from you in any secondary market transactions. Our initial estimated values do not represent a minimum price at which we or our affiliates would be willing to buy your notes in any secondary market at any time.

The terms of the notes are not determined by reference to the credit spreads for our conventional fixed-rate debt. To determine the terms of the notes, we will use an internal funding rate that represents a discount from the credit spreads for our conventional fixed-rate debt. As a result, the terms of the notes are less favorable to you than if we had used a higher funding rate.

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Certain costs are likely to adversely affect the value of the notes. Absent any changes in market conditions, any secondary market prices of the notes will likely be lower than the price to public. This is because any secondary market prices will likely take into account our then-current market credit spreads, and because any secondary market prices are likely to exclude all or a portion of the agent's commission and the hedging profits and estimated hedging costs that are included in the price to public of the notes and that may be reflected on your account statements. In addition, any such price is also likely to reflect a discount to account for costs associated with establishing or unwinding any related hedge transaction, such as dealer discounts, mark-ups and other transaction costs. As a result, the price, if any, at which BMOCM or any other party may be willing to purchase the notes from you in secondary market transactions, if at all, will likely be lower than the price to public. Any sale that you make prior to the maturity date could result in a substantial loss to you.

Any increase in the price of one or more Reference Shares may be offset by decreases in the price of one or more other Reference Shares. The price of one or more of the Reference Shares may increase while the price of one or more of the other Reference Shares decreases. Therefore, in determining the value of the Basket at any time, increases in the price of one Reference Share may be moderated, or wholly offset, by decreases in the price of one or more other Reference Shares. In addition, since ARPI, CTT and WCIC each have a lower Reference Share Weighting, any increase in the value of those three Reference Shares will have a smaller impact on the payment of the notes than a similar increase in the value of any of the other Reference Shares. Any positive performance of those three Reference Shares will offset to a lesser extent any decrease in value of any Reference Share with a higher weighting.

The notes may not have an active trading market. Your notes will not be listed on any securities exchange, and there may be little or no secondary market for your notes. Even if a secondary market for your notes develops, it may not provide significant liquidity. We expect that transaction costs in any secondary market would be high. As a result, the difference between bid and ask prices for your notes in any secondary market could be substantial. If you sell your notes before maturity, you may suffer substantial losses.

The notes will not reflect the full performance of the Reference Shares, which may negatively impact your return on the notes. Because (i) the calculation of the Redemption Amount includes a Participation Rate of less than 100%; (ii) the Adjusted Initial Share Price for each Reference Share was increased by \$0.01; and (iii) the Adjusted Final Share Price for each Reference Share will include a reduction of \$0.01, the return, if any, on the notes will not reflect the full performance of the Reference Shares. Therefore, the yield to maturity based on the methodology for calculating the Redemption Amount will be less than the yield that would be produced if the Reference Shares were purchased and held for a similar period. For each \$1,000 principal amount of the notes that you hold, the Basket Level Percentage must be at least approximately 103.09% for the Redemption Amount to exceed the principal amount. In addition, because the Participation Rate is less than 100%, the interest payments you receive on the notes will be less than the applicable Dividend Amounts.

The market value of your notes may be influenced by many unpredictable factors. The following factors, many of which are beyond our control, may influence the market value of your notes:

- the market prices of the Reference Shares;
- the dividend yields of the Reference Shares;
- economic, financial, political, military, regulatory, legal and other events that affect the securities markets generally and the U.S. markets in particular, and which may affect the values of the Reference Shares; and
- interest rates in the market.

These factors may influence the market value of your notes if you sell your notes before maturity. Our creditworthiness, as represented by our credit ratings or as otherwise perceived in the market will also affect the market value of your notes. If you sell your notes prior to maturity, you may receive less than your initial investment.

Payments on the notes are subject to our credit risk, and changes in our credit ratings may adversely affect the market value of the notes. The notes are our senior unsecured debt securities. The payment due on the maturity date and any interest payments are dependent upon our ability to repay our obligations at that time. This will be the case even if the values and dividend yields of the Reference Shares increase as of the interest calculation dates and the valuation dates. No assurance can be given as to what our financial condition will be at any time during the term of the notes.

The Adjusted Initial Share Price for each Reference Share was based on the Average Intra-day Prices for that Reference Share on each averaging date, which may adversely affect the return on the notes. The Adjusted Initial Share Price of each Reference Share, which is used to determine the related Reference Share Performance and therefore the Basket Level Percentage, was based on the Average Intra-day Prices of that Reference Share on each averaging date. The Average Intra-day Price for a Reference Share on any averaging date is the arithmetic mean of the prices at which we, or one or more of our affiliates execute transactions with respect to such Reference Share on each averaging date in order to hedge our obligations under the notes.

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As a result, the hedging activities relating to each Reference Share by us or any of our affiliates may have affected the calculation agent's determination of the Adjusted Initial Share Price for each Reference Share; therefore, these hedging activities may adversely affect the payment at maturity, if any.

The effect of the Adjusted Initial Share Price and the Adjusted Final Share Price for each Reference Share may negatively impact the Redemption Amount. The Adjusted Initial Share Price for each Reference Share will include an upward adjustment equal to \$0.01, and the Adjusted Final Share Price will include a downward adjustment equal to \$0.01 for each Reference Share. These adjustments are intended to compensate us for costs relating to the hedging of our obligations under the notes. Therefore, for the Reference Share Performance to be greater than 100%, the average performance over the valuation dates for each Reference Share must exceed its Unadjusted Initial Share Price by more than \$0.02.

Accordingly, in order for the Redemption Amount to exceed the issue price of the notes, the weighted average performance of the Reference Shares over the valuation dates must exceed the Unadjusted Initial Share Prices by a sufficient amount to surpass the effect of the Participation Rate, plus \$0.02. Accordingly, you could lose a substantial portion of your initial principal investment even if the average performance of one or more of the Reference Shares increases in value over the valuation dates.

The Adjusted Final Share Price of each Reference Share is based on the arithmetic average of its closing prices on each valuation date and may be less than the closing prices of such Reference Share prior to such dates or on any valuation date individually. The Adjusted Final Share Price of each Reference Share will be calculated based on the closing prices of that Reference Share on each of the valuation dates specified above. The prices prior to those dates will not be used to determine the Redemption Amount. Therefore, no matter how high the prices of the relevant Reference Shares may be during the term of the notes, only the closing prices of the Reference Shares on each of the valuation dates will be used to calculate the applicable Adjusted Final Share Prices and the Redemption Amount payable to you at maturity. In addition, because each Adjusted Final Share Price is based on the arithmetic average of the closing prices of the relevant Reference Share on each valuation date, the Adjusted Final Share Price calculated in this manner may be lower than the price of the relevant Reference Share on any single valuation date. Accordingly, the averaging feature may decrease the Adjusted Final Share Price and therefore your return on the notes.

Correlation among the Reference Shares may affect the value of your notes. The Reference Shares may not represent a diversified portfolio of securities. To the extent that the Reference Shares move in the same direction (i.e., are highly correlated), you will lose some or all of the benefits that would ordinarily attend a diversified portfolio of securities. The Reference Shares may be concentrated in a limited number of industries. An investment in the notes might increase your exposure to fluctuations in any of the sectors represented by the Basket.

We will not hold shares of any Reference Share for your benefit. The indenture and the terms governing your notes do not contain any restriction on our ability or the ability of any of our affiliates to sell, pledge or otherwise convey all or any portion of Reference Shares that we or they may acquire. Neither we nor our affiliates will pledge or otherwise hold any assets for your benefit, including any Reference Shares. Consequently, in the event of our bankruptcy, insolvency or liquidation, any of those assets that we own will be subject to the claims of our creditors generally and will not be available for your benefit specifically.

You must rely on your own evaluation of the merits of an investment linked to the Reference Shares. In the ordinary course of their business, BMOCM, Raymond James and our respective affiliates may have expressed views on expected movements in any Reference Share, and may do so in the future. These views or reports may be communicated to our clients, Raymond James' clients, and clients of our respective affiliates. However, these views are subject to change from time to time. Moreover, other professionals who transact business in markets relating to any Reference Share may at any time have significantly different views from those of our respective affiliates. For

these reasons, you are encouraged to derive information concerning the Reference Shares from multiple sources, and you should not rely solely on views expressed by us or our respective affiliates.

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Our trading and other transactions relating to the Reference Shares, futures, options or other derivative products may adversely affect the market value of the notes. As described below under “Use of Proceeds and Hedging,” we or our affiliates may hedge our obligations under the notes by purchasing or selling the Reference Shares, futures or options relating to the Reference Shares, or other derivative instruments with returns linked or related to changes in the performance of the Reference Shares. We may adjust these hedges by, among other things, purchasing or selling those assets at any time. Although they are not expected to do so, any of these hedging activities may adversely affect the prices of the Reference Shares, and therefore, the market value of the notes, and the amount payable at maturity. It is possible that we or one or more of our affiliates could receive substantial returns from these hedging activities, even though the market value of the notes decreases.

We, Raymond James, or one or more of our respective affiliates may also engage in trading relating to the Reference Shares on a regular basis as part of our general broker-dealer and other businesses, for proprietary accounts, for other accounts under management or to facilitate transactions for our customers, including block trades. Any of these activities could adversely affect the prices of the Reference Shares and, therefore, the market value of the notes. We, Raymond James, or one or more of our respective affiliates may also issue or underwrite other securities or financial or derivative instruments with returns linked or related to changes in the performance of the Reference Shares. By introducing competing products into the marketplace in this manner, we or one or more of our affiliates could adversely affect the market value of the notes.

Our business activities and the business activities of our affiliates may create conflicts of interest. As noted above, we, Raymond James, or one or more of our respective affiliates expect to engage in trading activities related to the Reference Shares that are not for the account of holders of the notes or on their behalf. These trading activities may present a conflict between the holders’ interests in the notes and the interests we and our affiliates will have in their proprietary accounts, in facilitating transactions, including options and other derivatives transactions, for their customers and in accounts under their management. These trading activities, if they influence the prices of the Reference Shares, could be adverse to the interests of the holders of the notes. We, Raymond James, or one or more of our respective affiliates may, at present or in the future, engage in business with the issuers of the Reference Shares, including making loans to or providing advisory services to those companies. These services could include investment banking and merger and acquisition advisory services. These activities may present a conflict between our or one or more of our affiliates’ obligations and your interests as a holder of the notes. Moreover, we, Raymond James and our respective affiliates have published, and in the future expect to publish, research reports with respect to most or even all of the Reference Shares. This research is modified from time to time without notice and may express opinions or provide recommendations that are inconsistent with purchasing or holding the notes. Even if our affiliates or Raymond James provides research that expresses a negative opinion about one or more of the Reference Shares, or if market conditions in housing-related sectors or other sectors change, the composition of the Basket will not change during the term of the notes (except under the limited circumstances described below). Any of these activities by us or one or more of our affiliates may affect the prices of the Reference Shares and, therefore, the market value of the notes.