

SERIES ADJUSTMENTS - 2003-025
ONN INFORMATION CIRCULAR # 446
May 15, 2003

Software HOLDRs Trust (SWH)
Stock Distribution
Ex-Distribution Date: 5/19/2003

Software HOLDRs Trust (SWH) has declared a distribution for each share of I2 Technologies, Inc (ITWO) to shareholders of record, May 21, 2003. Distribution date will be Friday, May 23, 2003. **Ex-distribution date is May 19, 2003.** The distribution will be 0.10 shares of ITWO Common stock, per share of SWH.

Contract Adjustments:

Pursuant to the by-laws of The Options Clearing Corporation ("OCC"), all Software HOLDRs options will be adjusted as follows:

Adjustment Date: Effective with exercises of Monday, May 19, 2003 and thereafter.
ISE Underlying Symbol(s): SWH becomes SBD
OPRA Option Symbol(s): SWH becomes SBD
 BAH remains unchanged
No. of Contracts: Unchanged
Multiplier: 100 (e.g., Premium of 1.00 = \$100)
New Deliverable/Contract: **SBD**
1). 100 Shares of Software HOLDRs (SWH)
2). 10 Shares of I2 Technologies, Inc (ITWO)

BAH
1). 100 Shares of Software HOLDRs (SWH)
2). 10 Shares of I2 Technologies, Inc (ITWO)
3). \$51.78 Cash

GTC Order Cancellation:

On Friday, May 16, 2003, immediately after the ISE close, all resting orders in the SWH order book will be cancelled.

Unadjusted New Shares:

New SWH series with a contract unit of 100 shares will be introduced on Tuesday, May 20, 2003. Strike prices and expiration months will be announced on a separate release.

Adjusted Exercise Prices:

On Monday, May 19, 2003, the ex-distribution date, trading in SWH series will be on an adjusted basis. The strike price adjustments listed below are expected based on the current outstanding series. Any additional SWH series added prior to the ex-date will also be adjusted in the manner outlined below.

ISE Series	Software HOLDRs (SWH) (Before 5/19/2003) (100 shrs SWH)				Software HOLDRs (SBD) (Beginning 5/19/2003) (See New Deliverable Above)				
	OPRA	Month	Strike	Calls/Puts	ISE Series	OPRA	Month	Strike	Calls/Puts
SWH3JUN25.0C/P	SWH	JUN	25	FE/RE	SBD3JUN25.0CX/PX	SBD	JUN	25	FE/RE
SWH3JUN27.5C/P	SWH	JUN	27 1/2	FY/RY	SBD3JUN27.5CX/PX	SBD	JUN	27 1/2	FY/RY
SWH3JUN30.0C/P	SWH	JUN	30	FF/RF	SBD3JUN30.0CX/PX	SBD	JUN	30	FF/RF
SWH3JUN32.5C/P	SWH	JUN	32 1/2	FZ/RZ	SBD3JUN32.5CX/PX	SBD	JUN	32 1/2	FZ/RZ
SWH3AUG25.0C/P	SWH	AUG	25	HE/TE	SBD3AUG25.0CX/PX	SBD	AUG	25	HE/TE
SWH3AUG27.5C/P	SWH	AUG	27 1/2	HY/TY	SBD3AUG27.5CX/PX	SBD	AUG	27 1/2	HY/TY
SWH3AUG30.0C/P	SWH	AUG	30	HF/TF	SBD3AUG30.0CX/PX	SBD	AUG	30	HF/TF
SWH3AUG32.5C/P	SWH	AUG	32 1/2	HZ/TZ	SBD3AUG32.5CX/PX	SBD	AUG	32 1/2	HZ/TZ
SWH3AUG35.0C/P	SWH	AUG	35	HG/TG	SBD3AUG35.0CX/PX	SBD	AUG	35	HG/TG
SWH3AUG37.5C/P	SWH	AUG	37 1/2	HU/TU	SBD3AUG37.5CX/PX	SBD	AUG	37 1/2	HU/TU
SWH3NOV25.0C/P	SWH	NOV	25	KE/WE	SBD3NOV25.0CX/PX	SBD	NOV	25	KE/WE
SWH3NOV27.5C/P	SWH	NOV	27 1/2	KY/WY	SBD3NOV27.5CX/PX	SBD	NOV	27 1/2	KY/WY
SWH3NOV30.0C/P	SWH	NOV	30	KF/WF	SBD3NOV30.0CX/PX	SBD	NOV	30	KF/WF
SWH3NOV32.5C/P	SWH	NOV	32 1/2	KZ/WZ	SBD3NOV32.5CX/PX	SBD	NOV	32 1/2	KZ/WZ
SWH3NOV35.0C/P	SWH	NOV	35	KG/WG	SBD3NOV35.0CX/PX	SBD	NOV	35	KG/WG
SWH3NOV37.5C/P	SWH	NOV	37 1/2	KU/WU	SBD3NOV37.5CX/PX	SBD	NOV	37 1/2	KU/WU

Questions regarding this release may be directed to Iris Rodriguez at (212) 897-0264.