



INTERNATIONAL SECURITIES EXCHANGE

SERIES ADJUSTMENTS - 2006-134

ONN INFORMATION CIRCULAR # 1576

July 5, 2006

Update

Semiconductor HOLDRs Trust (SMH)

Stock Distribution

Ex-Distribution Date: 7/6/2006

On June 28, 2006, Vitesse Semiconductor Corp. (VTSS), a component of the Semiconductor HOLDRs Trust (SMH) was delisted from the NASDAQ NMS. As a result, the VTSS Common Share component of Semiconductor HOLDF Trust (SMH) will be distributed to SMH Shareholders. The distribution is .03 VTSS share for each SMH HOLDR Shar. The record date is July 10, 2006. Mail Date is July 12, 2006. The American Stock Exchange has set July 6, 2006, as the ex distribution date.

Contract Adjustments:

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

- Adjustment Date:** Effective with exercises of Thursday, July 6, 2006 and thereafter
- ISE Underlying Symbol(s):** SMH becomes SXH
SXH - 3502
- OPRA Option Symbol(s):** SMH/YRH/OTO becomes SXH/WRQ/ZTQ
- No. of Contracts:** Unchanged
- Multiplier:** 100 (e.g., Premium of 1.00 = \$100)
- New Deliverable/Contract:** 1) 100 Shares of Semiconductor HOLDRs Trust
2) \$4.26

GTC Order Cancellation:

On Wednesday, July 5, 2006, immediately after the ISE close, all resting orders in the SMH order book will be cancelled.

Unadjusted New Shares:

New SMH series with a contract unit of 100 shares will be introduced on Friday, July 7, 2006. Strike prices and expiration months will be announced on a separate release.

Adjusted Exercise Prices:

On Thursday, July 6, 2006, the ex-distribution date, trading in SMH series will be on an adjusted basis. The strike price adjustments listed below are expected based on the current outstanding series. Any additional SMH series added prior to the ex-date will also be adjusted in the manner outlined below.

| Semiconductor HOLDRs Trust (SMH) (Before 7/6/2006) (100 shrs SMH) | | | | | Semiconductor HOLDR Trust (SXH) (Beginning 7/6/2006) (See New Deliverable Above) | | | | |
|---|------|-------|--------|------------|--|------|-------|--------|------------|
| ISE Series | OPRA | Month | Strike | Calls/Puts | ISE Series | OPRA | Month | Strike | Calls/Puts |
| SMH6JUL25.0C/P | SMH | JUL | 25 | GE/SE | SXH6JUL25.0CX/PX | SXH | JUL | 25 | GE/SE |
| SMH6JUL27.5C/P | SMH | JUL | 27 1/2 | GY/SY | SXH6JUL27.5CX/PX | SXH | JUL | 27 1/2 | GY/SY |
| SMH6JUL30.0C/P | SMH | JUL | 30 | GF/SF | SXH6JUL30.0CX/PX | SXH | JUL | 30 | GF/SF |
| SMH6JUL32.5C/P | SMH | JUL | 32 1/2 | GZ/SZ | SXH6JUL32.5CX/PX | SXH | JUL | 32 1/2 | GZ/SZ |
| SMH6JUL35.0C/P | SMH | JUL | 35 | GG/SG | SXH6JUL35.0CX/PX | SXH | JUL | 35 | GG/SG |
| SMH6JUL37.5C/P | SMH | JUL | 37 1/2 | GU/SU | SXH6JUL37.5CX/PX | SXH | JUL | 37 1/2 | GU/SU |
| SMH6JUL40.0C/P | SMH | JUL | 40 | GH/SH | SXH6JUL40.0CX/PX | SXH | JUL | 40 | GH/SH |
| SMH6JUL42.5C/P | SMH | JUL | 42 1/2 | GV/SV | SXH6JUL42.5CX/PX | SXH | JUL | 42 1/2 | GV/SV |
| SMH6JUL45.0C/P | SMH | JUL | 45 | GI/SI | SXH6JUL45.0CX/PX | SXH | JUL | 45 | GI/SI |

Semiconductor HOLDRs Trust (SMH)
(Before 7/6/2006)
(100 shrs SMH)

Semiconductor HOLDRs Trust (SXH)
(Beginning 7/6/2006)
(See New Deliverable Above)

| <u>ISE Series</u> | <u>OPRA</u> | <u>Month</u> | <u>Strike</u> | <u>Calls/Puts</u> | <u>ISE Series</u> | <u>OPRA</u> | <u>Month</u> | <u>Strike</u> | <u>Calls/Puts</u> |
|-------------------|-------------|--------------|---------------|-------------------|-------------------|-------------|--------------|---------------|-------------------|
| SMH6AUG27.5C/P | SMH | AUG | 27 1/2 | HY/TY | SXH6AUG27.5CX/PX | SXH | AUG | 27 1/2 | HY/TY |
| SMH6AUG30.0C/P | SMH | AUG | 30 | HF/TF | SXH6AUG30.0CX/PX | SXH | AUG | 30 | HF/TF |
| SMH6AUG32.5C/P | SMH | AUG | 32 1/2 | HZ/TZ | SXH6AUG32.5CX/PX | SXH | AUG | 32 1/2 | HZ/TZ |
| SMH6AUG35.0C/P | SMH | AUG | 35 | HG/TG | SXH6AUG35.0CX/PX | SXH | AUG | 35 | HG/TG |
| SMH6AUG37.5C/P | SMH | AUG | 37 1/2 | HU/TU | SXH6AUG37.5CX/PX | SXH | AUG | 37 1/2 | HU/TU |
| SMH6AUG40.0C/P | SMH | AUG | 40 | HH/TH | SXH6AUG40.0CX/PX | SXH | AUG | 40 | HH/TH |
| SMH6AUG42.5C/P | SMH | AUG | 42 1/2 | HV/TV | SXH6AUG42.5CX/PX | SXH | AUG | 42 1/2 | HV/TV |
| SMH6AUG45.0C/P | SMH | AUG | 45 | HI/TI | SXH6AUG45.0CX/PX | SXH | AUG | 45 | HI/TI |
| SMH6AUG47.5C/P | SMH | AUG | 47 1/2 | HW/TW | SXH6AUG47.5CX/PX | SXH | AUG | 47 1/2 | HW/TW |
| SMH6NOV27.5C/P | SMH | NOV | 27 1/2 | KY/WY | SXH6NOV27.5CX/PX | SXH | NOV | 27 1/2 | KY/WY |
| SMH6NOV30.0C/P | SMH | NOV | 30 | KF/WF | SXH6NOV30.0CX/PX | SXH | NOV | 30 | KF/WF |
| SMH6NOV32.5C/P | SMH | NOV | 32 1/2 | KZ/WZ | SXH6NOV32.5CX/PX | SXH | NOV | 32 1/2 | KZ/WZ |
| SMH6NOV35.0C/P | SMH | NOV | 35 | KG/WG | SXH6NOV35.0CX/PX | SXH | NOV | 35 | KG/WG |
| SMH6NOV37.5C/P | SMH | NOV | 37 1/2 | KU/WU | SXH6NOV37.5CX/PX | SXH | NOV | 37 1/2 | KU/WU |
| SMH6NOV40.0C/P | SMH | NOV | 40 | KH/WH | SXH6NOV40.0CX/PX | SXH | NOV | 40 | KH/WH |
| SMH6NOV42.5C/P | SMH | NOV | 42 1/2 | KV/WV | SXH6NOV42.5CX/PX | SXH | NOV | 42 1/2 | KV/WV |
| SMH6NOV45.0C/P | SMH | NOV | 45 | KI/VI | SXH6NOV45.0CX/PX | SXH | NOV | 45 | KI/VI |
| SMH6NOV47.5C/P | SMH | NOV | 47 1/2 | KW/WW | SXH6NOV47.5CX/PX | SXH | NOV | 47 1/2 | KW/WW |
| SMH7JAN20.0C/P | SMH | JAN | 20 | AD/MD | SXH7JAN20.0CX/PX | SXH | JAN | 20 | AD/MD |
| SMH7JAN25.0C/P | SMH | JAN | 25 | AE/ME | SXH7JAN25.0CX/PX | SXH | JAN | 25 | AE/ME |
| SMH7JAN30.0C/P | SMH | JAN | 30 | AF/MF | SXH7JAN30.0CX/PX | SXH | JAN | 30 | AF/MF |
| SMH7JAN32.5C/P | SMH | JAN | 32 1/2 | AZ/MZ | SXH7JAN32.5CX/PX | SXH | JAN | 32 1/2 | AZ/MZ |
| SMH7JAN35.0C/P | SMH | JAN | 35 | AG/MG | SXH7JAN35.0CX/PX | SXH | JAN | 35 | AG/MG |
| SMH7JAN40.0C/P | SMH | JAN | 40 | AH/MH | SXH7JAN40.0CX/PX | SXH | JAN | 40 | AH/MH |
| SMH7JAN45.0C/P | SMH | JAN | 45 | AI/MI | SXH7JAN45.0CX/PX | SXH | JAN | 45 | AI/MI |
| SMH7JAN50.0C/P | SMH | JAN | 50 | AJ/MJ | SXH7JAN50.0CX/PX | SXH | JAN | 50 | AJ/MJ |
| SMH7JAN55.0C/P | SMH | JAN | 55 | AK/MK | SXH7JAN55.0CX/PX | SXH | JAN | 55 | AK/MK |
| SMH7JAN60.0C/P | SMH | JAN | 60 | AL/ML | SXH7JAN60.0CX/PX | SXH | JAN | 60 | AL/ML |
| SMH7FEB22.5C/P | SMH | FEB | 22 1/2 | BX/NX | SXH7FEB22.5CX/PX | SXH | FEB | 22 1/2 | BX/NX |
| SMH7FEB25.0C/P | SMH | FEB | 25 | BE/NE | SXH7FEB25.0CX/PX | SXH | FEB | 25 | BE/NE |
| SMH7FEB27.5C/P | SMH | FEB | 27 1/2 | BY/NY | SXH7FEB27.5CX/PX | SXH | FEB | 27 1/2 | BY/NY |
| SMH7FEB30.0C/P | SMH | FEB | 30 | BF/NF | SXH7FEB30.0CX/PX | SXH | FEB | 30 | BF/NF |
| SMH7FEB32.5C/P | SMH | FEB | 32 1/2 | BZ/NZ | SXH7FEB32.5CX/PX | SXH | FEB | 32 1/2 | BZ/NZ |
| SMH7FEB35.0C/P | SMH | FEB | 35 | BG/NG | SXH7FEB35.0CX/PX | SXH | FEB | 35 | BG/NG |
| SMH7FEB37.5C/P | SMH | FEB | 37 1/2 | BU/NU | SXH7FEB37.5CX/PX | SXH | FEB | 37 1/2 | BU/NU |
| SMH7FEB40.0C/P | SMH | FEB | 40 | BH/NH | SXH7FEB40.0CX/PX | SXH | FEB | 40 | BH/NH |
| SMH7FEB42.5C/P | SMH | FEB | 42 1/2 | BV/NV | SXH7FEB42.5CX/PX | SXH | FEB | 42 1/2 | BV/NV |

Semiconductor HOLDRs Trust - 2008 Leap (SMH/YRH)
(Before 7/6/2006)
(100 shrs SMH)

Semiconductor HOLDRs Trust - 2008 Leap (SXH/WRQ)
(Beginning 7/6/2006)
(See New Deliverable Above)

| <u>ISE Series</u> | <u>OPRA</u> | <u>Month</u> | <u>Strike</u> | <u>Calls/Puts</u> | <u>ISE Series</u> | <u>OPRA</u> | <u>Month</u> | <u>Strike</u> | <u>Calls/Puts</u> |
|-------------------|-------------|--------------|---------------|-------------------|-------------------|-------------|--------------|---------------|-------------------|
| SMH8JAN25.0C/P | YRH | JAN | 25 | AE/ME | SXH8JAN25.0CX/PX | WRQ | JAN | 25 | AE/ME |
| SMH8JAN30.0C/P | YRH | JAN | 30 | AF/MF | SXH8JAN30.0CX/PX | WRQ | JAN | 30 | AF/MF |
| SMH8JAN35.0C/P | YRH | JAN | 35 | AG/MG | SXH8JAN35.0CX/PX | WRQ | JAN | 35 | AG/MG |
| SMH8JAN40.0C/P | YRH | JAN | 40 | AH/MH | SXH8JAN40.0CX/PX | WRQ | JAN | 40 | AH/MH |
| SMH8JAN45.0C/P | YRH | JAN | 45 | AI/MI | SXH8JAN45.0CX/PX | WRQ | JAN | 45 | AI/MI |

Semiconductor HOLDRs Trust - 2009 Leap (SMH/OTO)
(Before 7/6/2006)
(100 shrs SMH)

Semiconductor HOLDRs Trust - 2009 Leap (SXH/ZTQ)
(Beginning 7/6/2006)
(See New Deliverable Above)

| <u>ISE Series</u> | <u>OPRA</u> | <u>Month</u> | <u>Strike</u> | <u>Calls/Puts</u> | <u>ISE Series</u> | <u>OPRA</u> | <u>Month</u> | <u>Strike</u> | <u>Calls/Puts</u> |
|-------------------|-------------|--------------|---------------|-------------------|-------------------|-------------|--------------|---------------|-------------------|
| SMH9JAN25.0C/P | OTO | JAN | 25 | AE/ME | SXH9JAN25.0CX/PX | ZTQ | JAN | 25 | AE/ME |
| SMH9JAN30.0C/P | OTO | JAN | 30 | AF/MF | SXH9JAN30.0CX/PX | ZTQ | JAN | 30 | AF/MF |
| SMH9JAN35.0C/P | OTO | JAN | 35 | AG/MG | SXH9JAN35.0CX/PX | ZTQ | JAN | 35 | AG/MG |
| SMH9JAN40.0C/P | OTO | JAN | 40 | AH/MH | SXH9JAN40.0CX/PX | ZTQ | JAN | 40 | AH/MH |
| SMH9JAN45.0C/P | OTO | JAN | 45 | AI/MI | SXH9JAN45.0CX/PX | ZTQ | JAN | 45 | AI/MI |

Questions regarding this release may be directed to Iris Rodriguez at (212) 897-026