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

POST-EFFECTIVE AMENDMENT NO. 8

FORM S-1

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

Merrill Lynch, Pierce, Fenner & Smith Incorporated
Initial Depositor
(Exact name of registrant as specified in charter)

Retail HOLDRSSM Trust
[Issuer with respect to the receipts]

Delaware (State or other jurisdiction of incorporation or organization)	6211 (Primary Standard Industrial Classification Code Number)	13-5674085 (I.R.S. Employer Identification Number)
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250 Vesey Street
New York, New York 10281
(212) 449-1000
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Copies to:

Judith Witterschein, Esq.
Corporate Secretary
Merrill Lynch, Pierce, Fenner & Smith Incorporated
250 Vesey Street
New York, New York 10281
(212) 449-1000
(Name, address, including zip code, and telephone number, including area code, of agent for service)

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If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.



1,000,000,000 Depositary Receipts
Retail HOLDERSSM Trust

The Retail HOLDERSSM Trust issues Depositary Receipts called Retail HOLDERSSM representing your undivided beneficial ownership in the common stock of a group of specified companies that, among other things, sell retail merchandise to consumers through traditional retail stores, the Internet, mail order catalogs and other outlets. The Bank of New York is the trustee. You only may acquire, hold or transfer Retail HOLDERS in a round-lot amount of 100 Retail HOLDERS or round-lot multiples. Retail HOLDERS are separate from the underlying common stocks that are represented by the Retail HOLDERS. For a list of the names and the number of shares of the companies that make up a Retail HOLDER, see “Highlights of Retail HOLDERS—The Retail HOLDERS” starting on page 9. The trust will issue the additional Retail HOLDERS on a continuous basis.

Investing in Retail HOLDERS involves significant risks. See “Risk Factors” starting on page 4.

Retail HOLDERS are neither interests in nor obligations of Merrill Lynch, Pierce, Fenner & Smith Incorporated. Retail HOLDERS are not interests in the Bank of New York, as trustee. Please see “Description of the Depositary Trust Agreement” in this prospectus for a more complete description of the duties and responsibilities of the trustee, including the obligation of the trustee to act without negligence or bad faith.

The Retail HOLDERS are listed on the American Stock Exchange under the symbol “RTH”. On August 9, 2007, the last reported sale price of the Retail HOLDERS on the American Stock Exchange was \$99.60.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is August 14, 2007

“HOLDERS” and “HOLDing Company Depositary ReceiptS” are service marks of Merrill Lynch & Co., Inc.

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This prospectus contains information you should consider when making your investment decision. With respect to information about Retail HOLDERS, you should rely only on the information contained in this prospectus. We have not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not making an offer to sell Retail HOLDERS in any jurisdiction where the offer or sale is not permitted.

The Retail HOLDERS are not registered for public sale outside of the United States. Non-U.S. Receipt Holders should refer to “U.S. Federal Income Tax Consequences—Non-U.S. Receipt Holders” and we recommend that non-U.S. receipt holders consult their tax advisors regarding U.S. withholding and other taxes which may apply to ownership of the Retail HOLDERS or of the underlying securities through an investment in the Retail HOLDERS.

SUMMARY

The Retail HOLDing Company Depositary ReceiptS or HOLDRS Trust was formed under the depositary trust agreement, dated as of March 12, 2001, among The Bank of New York, as trustee, Merrill Lynch, Pierce, Fenner & Smith Incorporated, other depositors and the owners of the Retail HOLDRS. The trust is not a registered investment company under the Investment Company Act of 1940.

The trust currently holds shares of common stock issued by a group of specified companies that, at the time of the initial offering, among other things, sold retail merchandise to consumers through traditional retail stores, the Internet, mail order catalogs and other outlets. The number of shares of each company's common stock held by the trust with respect to each round-lot of Retail HOLDRS is specified under "Highlights of Retail HOLDRS—The Retail HOLDRS." This group of common stocks and the securities of any company that may be added to the Retail HOLDRS are collectively referred to in this prospectus as the securities or the underlying securities. There are currently 18 companies included in the Retail HOLDRS, which may change as a result of reconstitution events, distributions of securities by the underlying issuers or other events. The Retail HOLDRS are separate from the underlying common stocks that are represented by the Retail HOLDRS. On August 9, 2007, there were 7,866,300 Retail HOLDRS outstanding.

RISK FACTORS

An investment in Retail HOLDRS involves risks similar to investing directly in each of the underlying securities outside of the Retail HOLDRS, including the risks associated with concentrated investments in the retailing industry.

General Risk Factors

- *Loss of investment.* Because the value of Retail HOLDRS directly relates to the value of the underlying securities, you may lose a substantial portion of your investment in the Retail HOLDRS if the underlying securities decline in value.
- *Discount trading price.* Retail HOLDRS may trade at a discount to the aggregate value of the underlying securities.
- *Ownership of only fractional shares in the underlying securities.* As a result of distributions of securities by companies included in the Retail HOLDRS or other corporate events, such as mergers, a Retail HOLDR may represent an interest in a fractional share of an underlying security. You will only be entitled to voting, distribution and other beneficial ownership rights in the underlying securities in which you own only fractional shares to the extent that the depositary aggregates your fractional shares with the other shares of such underlying securities and passes on beneficial ownership rights, including distribution and voting rights, to you based on your proportional, fractional shares in the underlying securities. In addition, if you surrender your Retail HOLDRS to receive the underlying securities you will receive cash in lieu of your fractional shares. You will not be entitled to any securities if your interest in an underlying security is only a fraction of a share.
- *Not necessarily representative of the retailing industry.* At the time of the initial offering, the companies included in Retail HOLDRS were generally considered to be involved in various aspects of the retailing industry. However, the market price of the underlying securities and the Retail HOLDRS may not necessarily follow the price movements of the entire retailing industry generally. If the underlying securities decline in value, your investment in the Retail HOLDRS will decline in value even if the market price of the securities of companies in the retailing industry generally increase in value. In addition, since the time of the initial offering, the companies included in the Retail HOLDRS may not be involved in the retailing industry. In this case, the Retail HOLDRS may no longer consist of securities issued only by companies involved in the retailing industry.
- *Not necessarily comprised of solely retail companies.* As a result of distributions of securities by companies included in the Retail HOLDRS or other corporate events, such as mergers, securities of companies that are not currently included in the Retail HOLDRS and that are not involved in the retail industry may be included in the Retail HOLDRS. The securities of a new company will only be distributed from the Retail HOLDRS if the securities have a different Standard & Poor's Corporation sector classification than any of the underlying issuers included in Retail HOLDRS at the time of the distribution or the corporate event or if the securities are not listed for trading on a U.S. national securities exchange or through the Nasdaq National Market System. As of January 2, 2002, Standard & Poor's Corporation sector classifications are based upon the Standard & Poor's Global Industry Classification Standard ("GICS") sectors. As there are only 10 broadly defined GICS sector classifications, the use of GICS sectors to determine whether a new company will be included in the Retail HOLDRS provides no assurance that each new company included in the Retail HOLDRS will be involved in the retail industry. Currently, the underlying securities included in the Retail HOLDRS are represented in the Consumer Discretionary and Consumer Staples GICS sectors. As each Standard & Poor's GICS sector is defined so broadly, the securities of a new company could have the same GICS sector classification as a company currently included in the Retail HOLDRS yet not be involved in the retail industry. In addition the GICS sector classifications of securities included in the Retail HOLDRS may change over time if the companies that issued these securities change their focus of

operations or if Standard & Poor's alters the criteria it uses to determine GICS sectors, or both. Therefore, additional GICS sectors may be represented in the Retail HOLDRS, which may also result in the inclusion in the Retail HOLDRS of the securities of a new company that is not involved in the retail industry.

- *No investigation of underlying securities.* The underlying securities initially included in the Retail HOLDRS were selected by Merrill Lynch, Pierce, Fenner & Smith Incorporated based on the market capitalization of the issuers and the market liquidity of securities in the retailing industry, without regard for the value, price performance, volatility or investment merit of the underlying securities. Consequently, the Retail HOLDRS Trust, the trustee, Merrill Lynch, Pierce, Fenner & Smith Incorporated, and each of their respective affiliates, have not performed any investigation or review of the selected companies, including the public filings by the companies. Investors and market participants should not conclude that the inclusion of a company is any form of investment recommendation by the trust, the trustee, Merrill Lynch, Pierce, Fenner & Smith Incorporated, or their respective affiliates.
- *Loss of Diversification.* As a result of industry developments, reorganizations, or market fluctuations affecting the issuers of the underlying securities, Retail HOLDRS may not necessarily continue to be a diversified investment in the retailing industry. In addition, reconstitution events, distributions of securities by an underlying issuer or other events, which may result in the distribution or securities from, or the inclusion of additional securities in, Retail HOLDRS may reduce diversification. Retail HOLDRS may represent a concentrated investment in one or more of the underlying securities, which would reduce investment diversification and increase your exposure to the risks of concentrated investments.
- *Conflicting investment choices.* In order to sell one or more of the underlying securities individually, participate in a tender offer relating to one or more of the underlying securities, or participate in any form of stock repurchase program by an issuer of an underlying security, you will be required to cancel your Retail HOLDRS and receive delivery of each of the underlying securities. The cancellation of your Retail HOLDRS will allow you to sell individual underlying securities or to deliver individual underlying securities in a tender offer or any form of stock repurchase program. The cancellation of Retail HOLDRS will involve payment of a cancellation fee to the trustee.
- *Trading halts.* Trading in Retail HOLDRS on the American Stock Exchange may be halted if trading in one or more of the underlying securities is halted. Trading in Retail HOLDRS may be halted even if trading continues in some or all of the underlying securities. If trading is halted in the Retail HOLDRS, you will not be able to trade Retail HOLDRS and you will only be able to trade the underlying securities if you cancel your Retail HOLDRS and receive each of the underlying securities.
- *Delisting from the American Stock Exchange.* If the number of companies whose securities are held in the trust falls below nine, the American Stock Exchange may consider delisting the Retail HOLDRS. If the Retail HOLDRS are delisted by the American Stock Exchange, a termination event will result unless the Retail HOLDRS are listed for trading on another U.S. national securities exchange or through the Nasdaq National Market System within five business days from the date the Retail HOLDRS are delisted. There are currently 18 companies whose securities are included in the Retail HOLDRS.
- *Possible conflicts of interest.* Merrill Lynch, Pierce, Fenner & Smith Incorporated, as initial depositor, selected the underlying securities that were originally included in the Retail HOLDRS and may face possible conflicts of interest as Merrill Lynch, Pierce, Fenner & Smith Incorporated and its affiliates may engage in investment banking and other activities, and may provide services to issuers of the underlying securities in connection with its business.

- *Delays in distributions.* The depositary trust agreement provides that the trustee will use its reasonable efforts to distribute any cash or other distributions paid in respect of the underlying securities to you as soon as practicable after receipt of such distribution. However, you may receive such cash or other distributions later than you would if you owned the underlying securities outside of the Retail HOLDRS. In addition, you will not be entitled to any interest on any distribution by reason of any delay in distribution by the depositary.

Risk Factors Specific to Companies Involved in the Retailing Industry

- *Retail companies operate in a highly competitive industry and face intense price competition.* The retailing industry is highly competitive with numerous industry participants. The companies included in the Retail HOLDRS compete with general merchandise, apparel and household merchandise retailers, Internet retailers, discount retailers, television direct marketers and mail-order catalog retailers. Some of the principal factors which retail companies must address to remain competitive include:
 - merchandise selection and quality;
 - brand recognition;
 - price;
 - convenience;
 - customer service; and
 - timely product delivery.

Retail companies may also face increased pricing pressure as more retail outlets, especially electronic-commerce retailers and discount retailers, are established that are able to offer similar merchandise at reduced prices. If any of the companies included in the Retail HOLDRS fail to successfully compete and maintain customer satisfaction and market share, its stock price may decline and will negatively affect the market price of the Retail HOLDRS.

- *The companies in the Retail HOLDRS may be subject to seasonal and quarterly variations in the retailing industry.* The apparel and general merchandise segments of the retailing industry have historically been subject to significant seasonal and quarterly variations. Many retailers derive a significant portion of their annual revenue during the months of November and December. In anticipation of increased sales activity during this period many retail companies incur significant additional expenses. If the demand during November and December is miscalculated, a retail company could have significant excess inventory, which would have an adverse affect on its financial performance. In addition, a significant shortfall in sales during November and December would have an adverse impact on the results of operations of a retail company. Any seasonal or quarterly fluctuations that a retail company reports may not match the expectations of market analysts and investors. This, along with any changes in the expectations of consumer demand, could cause the market price of the Retail HOLDRS to fluctuate significantly.
- *Retail companies' revenues may be adversely affected by general economic factors.* General economic factors in the markets in which retail companies operate, many of which are beyond their control, may nevertheless materially adversely affect company forecasts and actual performance. These factors include:
 - interest rates;
 - difficulty in obtaining additional financing;

- recession;
- inflation and deflation;
- consumer credit availability and debt levels;
- tax rates and policy;
- unemployment trends; and
- other matters that influence consumer confidence and spending.

These factors may negatively affect consumer spending and confidence and result in reduced revenues for retail companies. As many of the companies included in the Retail HOLDRS are apparel and general merchandise retailers that rely on consumers' purchases of discretionary items for a significant portion of their sales, during periods where disposable income is lower or during periods of economic uncertainty, consumer purchases of these items may decline. As a result, retail companies may be more adversely affected by a cyclical downturn in the economy than other companies. In addition, increased volatility in financial markets may cause these factors to change with a greater degree of frequency and magnitude.

- *Companies whose securities are included in the Retail HOLDRS may need additional financing, which may be difficult to obtain.* Failure to obtain necessary financing or doing so on unattractive terms could adversely affect development and marketing efforts and other operations of companies whose securities are included in the Retail HOLDRS. Companies whose securities are included in Retail HOLDRS may need to raise additional capital in order to fund the continued development and marketing of their products or to fund strategic acquisitions or investments. Their ability to obtain additional financing will depend on a number of factors, including market conditions, operating performance and investor interest. These factors may make the timing, amount, terms and conditions of any financing unattractive. If adequate funds are not available or are not available on acceptable terms, companies whose securities are included in the Retail HOLDRS may have to forego strategic acquisitions or investments, reduce or defer their development activities, delay their introduction of new products and services or reduce or terminate their operations generally. Any of these actions may reduce the market price of stocks in the retailing industry.
- *Other broad market and industry factors may decrease the stock price of retail stocks, regardless of their operating results.* Market fluctuations, as well as general political and economic conditions, such as recession, war or interest rate or currency rate fluctuations, also may decrease the market price of retailing stocks. Current economic conditions have adversely affected employment and other significant elements of the economy that drive productivity and the financial strength of businesses. These economic conditions could have a material adverse affect on retail sales and, as a result, the financial condition and results of operations of companies whose common stocks are included in Retail HOLDRS.
- *Many of the companies included in the Retail HOLDRS are dependent on third party suppliers and distribution systems.* Many of the companies included in the Retail HOLDRS purchase merchandise both directly from brand owners and indirectly from retailers and third party suppliers. These companies may also be dependent upon suppliers for the products used for their own brand name merchandise. Reliance on third party suppliers subjects retail companies to risks of delivery delays, price increases and receipt of non-conforming or poor quality merchandise. The purchase of merchandise from parties other than the brand owners also increases the risk that a retail company could mistakenly purchase and sell non-authentic or damaged goods, which may expose them to liability. In addition, many of the companies in the Retail HOLDRS use third party distributors and transportation providers over which they have no control to deliver and transport their merchandise. If

retail companies encounter problems with their suppliers or distributors, their reputation could be harmed and their operations and financial conditions could be adversely affected.

- *Unexpected changes in consumer trends can affect the business of retail companies.* Consumer trends can change rapidly, and the retail business is sensitive to these changes. The consumer companies included in the Retail HOLDRS may not accurately anticipate shifts in consumer trends and adjust their merchandise mix to appeal to changing consumer tastes in a timely manner. If a company misjudges the market for its products or is unsuccessful in responding to changes in consumer trends or in market demand, the retail company could experience insufficient or excess inventory levels or higher markdowns, any of which would have a material adverse effect on its business, financial condition and results of operations and could adversely affect the price of the Retail HOLDRS.
- *Retail companies may be unable to protect their intellectual property rights and may be liable for infringing the intellectual property rights of others.* Third parties may infringe or misappropriate the trademarks or other proprietary rights of the retail companies included in the Retail HOLDRS, which could have a material adverse effect on their business, results of operations or financial condition. Retail companies could also incur substantial costs in asserting and defending their intellectual property or proprietary rights. In addition, third parties may assert infringement claims against companies included in the Retail HOLDRS for infringement or misappropriation of their proprietary rights. These claims and any resulting litigation, if it occurs, could subject companies included in the Retail HOLDRS to significant liability for damages and may also result in limitations on the ability to use the intellectual property subject to the claim.

HIGHLIGHTS OF RETAIL HOLDERS

This discussion highlights information regarding Retail HOLDING Company Depository Receipts. We present certain information more fully in the rest of this prospectus. You should read the entire prospectus carefully before you purchase Retail HOLDERS.

Issuer	Retail HOLDERS Trust.
The trust	The Retail HOLDERS Trust was formed under the depository trust agreement, dated as of March 12, 2001 among The Bank of New York, as trustee, Merrill Lynch, Pierce, Fenner & Smith Incorporated, other depositors and the owners of the Retail HOLDERS. The trust is not a registered investment company under the Investment Company Act of 1940.
Initial depositor	Merrill Lynch, Pierce, Fenner & Smith Incorporated.
Trustee	The Bank of New York, a New York state-chartered banking organization, is the trustee and receives compensation as set forth in the depository trust agreement. The trustee is responsible for receiving deposits of underlying securities and delivering Retail HOLDERS representing the underlying securities issued by the trust. The trustee holds the underlying securities on behalf the holders of Retail HOLDERS.
Purpose of Retail HOLDERS	<p>Retail HOLDERS are designed to achieve the following:</p> <p>Diversification. Retail HOLDERS are designed to allow you to diversify your investments in the retailing industry through a single, exchange-listed instrument representing your undivided beneficial ownership of the underlying securities.</p> <p>Flexibility. The beneficial owners of Retail HOLDERS have undivided beneficial ownership interests in each of the underlying securities represented by the Retail HOLDERS, and can cancel their Retail HOLDERS to receive each of the underlying securities represented by the Retail HOLDERS.</p> <p>Transaction costs. The expenses associated with buying and selling Retail HOLDERS in the secondary market are expected to be less than separately buying and selling each of the underlying securities in a traditional brokerage account with transaction-based charges.</p>
Trust assets	<p>The trust holds securities issued by specified companies that, when initially selected, were in the retailing industry. Except when a reconstitution event, distribution of securities by an underlying issuer or other event occurs, the group of companies will not change. Reconstitution events are described in this prospectus under the heading “Description of the Depository Trust Agreement—Distributions” and “—Reconstitution events.” There are currently 18 companies included in the Retail HOLDERS.</p> <p>The trust’s assets may increase or decrease as a result of in-kind deposits and withdrawals of the underlying securities during the life of the trust.</p>
The Retail HOLDERS	The trust has issued, and may continue to issue, Retail HOLDERS that represent your undivided beneficial ownership interest in the shares of

U.S.-traded securities held by the trust on your behalf. The Retail HOLDERS themselves are separate from the underlying securities that are represented by the Retail HOLDERS.

The following table provides:

- the names of the 18 issuers of the underlying securities currently represented by the Retail HOLDERS,
- stock ticker symbols,
- share amounts represented by a round-lot of 100 Retail HOLDERS, and
- the principal U.S. market on which the underlying securities are traded.

Name of Company	Ticker	Share Amounts	Primary Trading Market
Amazon.com, Inc.	AMZN	7	Nasdaq NMS
Best Buy Co., Inc.	BBY	9	NYSE
Costco Wholesales Corporation	COST	8	Nasdaq NMS
CVS Corporation / Caremark Corporation	CVS	14	NYSE
The Gap, Inc.	GPS	16	NYSE
The Home Depot, Inc.	HD	40	NYSE
Kohl's Corporation	KSS	6	NYSE
The Kroger Co.	KR	15	NYSE
Limited Brands, Inc.	LTD	8	NYSE
Lowe's Companies, Inc.	LOW	28	NYSE
Macy's, Inc.(1)	M	11.738	NYSE
RadioShack Corporation	RSH	3	NYSE
Safeway Inc.	SWY	9	NYSE
SUPERVALU INC.	SVU	1.456	NYSE
Target Corporation	TGT	16	NYSE
The TJX Companies, Inc.	TJX	10	NYSE
Wal-Mart Stores, Inc.	WMT	36	NYSE
Walgreen Co.	WAG	19	NYSE

(1) Effective June 1, 2007, Federated Department Stores Inc. (NYSE ticker "FD"), an underlying constituent of the Retail HOLDERS Trust, changed its name to Macy's, Inc. (NYSE ticker "M"). As a result, Macy's, Inc. will replace Federated Department Stores Inc. as an underlying constituent of the Retail HOLDERS Trust.

The companies whose common stocks were included in the Retail HOLDERS at the time Retail HOLDERS were originally issued were generally considered to be among the 20 largest and most liquid companies with U.S.-traded securities involved in the retailing industry, as measured by market capitalization and trading volume on January 24, 2001. The market capitalization of a company is determined by multiplying the market price of its common stock by the number of its outstanding shares of common stock.

The trust will only issue and cancel, and you may only obtain, hold, trade or surrender Retail HOLDERS in a round-lot of 100 Retail HOLDERS and round-lot multiples. The trust will only issue Retail HOLDERS upon the deposit of the whole shares represented by a round-lot of 100 Retail HOLDERS. In the event that a fractional share comes to be

represented by a round-lot of Retail HOLDERS, the trust may require a minimum of more than one round-lot of 100 Retail HOLDERS for an issuance so that the trust will always receive whole share amounts for issuance of Retail HOLDERS.

The number of outstanding Retail HOLDERS will increase and decrease as a result of in-kind deposits and withdrawals of the underlying securities. The trust will stand ready to issue additional Retail HOLDERS on a continuous basis when an investor deposits the required securities with the trustee.

Purchases

You may acquire Retail HOLDERS in two ways:

- through an in-kind deposit of the required number of securities of the underlying issuers with the trustee, or
- through a cash purchase in the secondary trading market.

Issuance and cancellation fees

If you wish to create Retail HOLDERS by delivering to the trust the requisite securities represented by a round-lot of 100 Retail HOLDERS, The Bank of New York, as trustee, will charge you an issuance fee of up to \$10.00 for each round-lot of 100 Retail HOLDERS. If you wish to cancel your Retail HOLDERS and withdraw your underlying securities, The Bank of New York, as trustee will charge you a cancellation fee of up to \$10.00 for each round-lot of 100 Retail HOLDERS.

Commissions

If you choose to deposit underlying securities in order to receive Retail HOLDERS, you will be responsible for paying any sales commission associated with your purchase of the underlying securities that is charged by your broker in addition to the issuance fee charged by the trustee, described above.

Custody fees

The Bank of New York, as trustee and as custodian, will charge you a quarterly custody fee of \$2.00 for each round-lot of 100 Retail HOLDERS, to be deducted from any cash dividend or other cash distributions on underlying securities received by the trust. With respect to the aggregate custody fee payable in any calendar year for each Retail HOLDER, the trustee will waive that portion of the fee which exceeds the total cash dividends and other cash distributions received, or to be received, and payable with respect to such calendar year.

Rights relating to Retail HOLDERS

You have the right to withdraw the underlying securities upon request by delivering a round-lot or integral multiple of a round-lot of Retail HOLDERS to the trustee, during the trustee's business hours, and paying the cancellation fees, taxes, and other charges. You should receive the underlying securities no later than the business day after the trustee receives a proper notice of cancellation. The trustee will not deliver fractional shares of underlying securities. To the extent that any cancellation of Retail HOLDERS would otherwise require the delivery of a fractional share, the trustee will sell the fractional share in the market and the trust, in turn, will deliver cash in lieu of the fractional share. Except with respect to the right to vote for dissolution of the trust, the Retail

HOLDERS themselves will not have voting rights.

**Rights relating to the
underlying
securities**

Retail HOLDERS represents your beneficial ownership of the underlying securities. Owners of Retail HOLDERS have the same rights and privileges as if they owned the underlying securities beneficially outside of Retail HOLDERS. These include the right to instruct the trustee to vote the underlying securities or you may attend shareholder meetings yourself, the right to receive any dividends and other distributions on the underlying securities that are declared and paid to the trustee by an issuer of an underlying security, the right to pledge Retail HOLDERS and the right to surrender Retail HOLDERS to receive the underlying securities. Retail HOLDERS does not change your beneficial ownership in the underlying securities under United States federal securities laws, including sections 13(d) and 16(a) of the securities Exchange Act of 1934. As a result, you have the same obligations to file insider trading reports that you would have if you held the underlying securities outside of Retail HOLDERS. However, due to the nature of Retail HOLDERS, you will not be able to participate in any dividend reinvestment program of an issuer of underlying securities unless you cancel your Retail HOLDERS (and pay the applicable fees) and receive all of the underlying securities.

A holder of Retail HOLDERS is not a registered owner of the underlying securities. In order to become a registered owner, a holder of Retail HOLDERS would need to surrender their Retail HOLDERS, pay the applicable fees and expenses, receive all of the underlying securities and follow the procedures established by the issuers of the underlying securities for registering their securities in the name of such holder.

You retain the right to receive any reports and communications that the issuers of underlying securities are required to send to beneficial owners of their securities. As such, you will receive such reports and communications from the broker through which you hold your Retail HOLDERS in the same manner as if you beneficially owned your underlying securities outside of Retail HOLDERS in "street name" through a brokerage account. The trustee will not attempt to exercise the right to vote that attaches to, or give a proxy with respect to, the underlying securities other than in accordance with your instructions.

The depositary trust agreement entitles you to receive, subject to certain limitations and net of any fees and expenses of the trustee, any distributions of cash (including dividends), securities or property made with respect to the underlying securities. However, any distribution of securities by an issuer of underlying securities will be deposited into the trust and will become part of the underlying securities unless the distributed securities are not listed for trading on a U.S. national securities exchange or through the Nasdaq National Market System or the distributed securities have a Standard & Poor's GICS sector classification that is different from the GICS sector classifications represented in the Retail HOLDERS at the time of the distribution. In addition, if the issuer of underlying securities offers rights to acquire additional underlying securities or other securities, the rights may be distributed to you, may be disposed of for your benefit or may lapse.

There may be a delay between the time any cash or other distribution is received by the trustee with respect to the underlying securities and the time such cash or other distributions are distributed to you. In addition, you are not entitled to any interest on any distribution by reason of any delay in distribution by the trustee. If any tax or other governmental

charge becomes due with respect to Retail HOLDERS or any underlying securities, you will be responsible for paying that tax or governmental charge.

If you wish to participate in a tender offer for any of the underlying securities, or any form of stock repurchase program by an issuer of an underlying security, you must surrender your Retail HOLDERS (and pay the applicable fees and expenses) and receive all of your underlying securities in exchange for your Retail HOLDERS. For specific information about obtaining your underlying securities, you should read the discussion under the caption “Description of the Depositary Trust Agreement—Withdrawal of underlying securities.”

Ownership rights in fractional shares in the underlying securities

As a result of distributions of securities by companies included in the Retail HOLDERS or other corporate events, such as mergers, a Retail HOLDER may represent an interest in a fractional share of an underlying security. You are entitled to receive distributions proportionate to your fractional shares.

In addition, you are entitled to receive proxy materials and other shareholder communications and you are entitled to exercise voting rights proportionate to your fractional shares. The trustee will aggregate the votes of all of the share fractions represented by Retail HOLDERS and will vote the largest possible number of whole shares. If, after aggregation, there is a fractional remainder, this fraction will be ignored, because the issuer will only recognize whole share votes. For example, if 100,001 round-lots of 100 Retail HOLDERS are outstanding and each round-lot of 100 Retail HOLDERS represents 1.75 shares of an underlying security, there will be 175,001.75 votes of the underlying security represented by Retail HOLDERS. If holders of 50,000 round-lots of 100 Retail HOLDERS vote their underlying securities “yes” and holders of 50,001 round-lots of 100 Retail HOLDERS vote their underlying securities vote “no,” there will be 87,500 affirmative votes and 87,501.75 negative votes. The trustee will ignore the .75 negative votes and will deliver to the issuer 87,500 affirmative votes and 87,501 negative votes.

Reconstitution events

The depositary trust agreement provides for the automatic distribution of underlying securities from the Retail HOLDERS to you in the following four circumstances:

- A. If an issuer of underlying securities no longer has a class of securities registered under section 12 of the Securities Exchange Act of 1934, then the trustee will distribute the shares of that company to the owners of the Retail HOLDERS.
- B. If the SEC finds that an issuer of underlying securities should be registered as an investment company under the Investment Company Act of 1940, and the trustee has actual knowledge of the SEC finding, then its securities will no longer be an underlying security and the trustee will distribute the shares of that company to the owners of the Retail HOLDERS.
- C. If the underlying securities of an issuer cease to be outstanding as a result of a merger, consolidation or other corporate combination, the trustee will distribute the consideration paid by and received

from the acquiring company or the securities received in exchange for the securities of the underlying issuer whose securities cease to be outstanding to the beneficial owners of Retail HOLDERS only if the distributed securities have a different Standard & Poor's GICS sector classification than any of the underlying securities represented in the Retail HOLDERS at the time of the distribution or exchange or if the securities received are not listed for trading on a U.S. national securities exchange or through the Nasdaq National Market System. In any other case, the additional securities received will be deposited into the trust.

- D. If an issuer's underlying securities are delisted from trading on a U.S. national securities exchange or through the Nasdaq National Market System and are not listed for trading on another U.S. national securities exchange or through the Nasdaq National Market System within five business days from the date the securities are delisted.

To the extent a distribution of underlying securities from the Retail HOLDERS is required as a result of a reconstitution event, the trustee will deliver the underlying security to you as promptly as practicable after the date that the trustee has knowledge of the occurrence of a reconstitution event.

In addition, securities of a new company will be added to the Retail HOLDERS, as a result of a distribution of securities by an underlying issuer, where a corporate event occurs, or where the securities of an underlying issuer are exchanged for the securities of another company, unless the securities received have a Standard & Poor's GICS sector classification that is different from the GICS sector classification of any other security then included in the Retail HOLDERS or are not listed for trading on a U.S. national securities exchange or through the Nasdaq National Market System.

It is anticipated, as a result of the broadly defined Standard & Poor's GICS sectors, that most distributions or exchanges of securities will result in the inclusion of new securities in Retail HOLDERS. The trustee will review the Standard & Poor's GICS sector classifications of securities to determine whether securities received as a result of a distribution by an underlying issuer or as consideration for securities included in the Retail HOLDERS will be distributed from the Retail HOLDERS to you.

**Standard & Poor's sector
classification**

Standard & Poor's Corporation is an independent source of market information that, among other things, maintains the Global Industry Classification Standard, referred to herein as "GICS," which classifies the securities of public companies into various sector classifications based upon GICS sectors, which are derived from its own criteria. The GICS classification standards were exclusively effective as of January 2, 2002. There are 10 Standard & Poor's GICS sectors and each class of publicly traded securities of a company are given only one GICS sector classification. The securities included in the Retail HOLDERS are currently represented in the Consumer Discretionary and Consumer Staples GICS sectors. The Standard & Poor's GICS sector classifications of the securities included in the Retail HOLDERS may change over time if the companies that issued these securities change their focus of operations or if Standard & Poor's alters the criteria it uses to determine GICS sectors, or both.

Termination events

- A. The Retail HOLDERS are delisted from the American Stock Exchange and are not listed for trading on another U.S. national securities exchange or through the Nasdaq National Market System within five business days from the date the Retail HOLDERS are delisted.
- B. The trustee resigns and no successor trustee is appointed within 60 days from the date the trustee provides notice to Merrill Lynch, Pierce, Fenner & Smith Incorporated, as initial depositor, of its intent to resign.
- C. Beneficial owners of at least 75% of outstanding Retail HOLDERS vote to dissolve and liquidate the trust.

If a termination event occurs, the trustee will distribute the underlying securities to you as promptly as practicable after the termination event.

Upon termination of the depositary trust agreement and prior to distributing the underlying securities to you, the trustee will charge you a cancellation fee of up to \$10.00 per round-lot of 100 Retail HOLDERS surrendered, along with any taxes or other governmental charges, if any.

U.S. federal income tax consequences

The U.S. federal income tax laws will treat a U.S. holder of Retail HOLDERS as directly owning the underlying securities. The Retail HOLDERS themselves will not result in any U.S. federal income tax consequences separate from the tax consequences associated with ownership of the underlying securities.

Listing

The Retail HOLDERS are listed on the American Stock Exchange under the symbol "RTH." On August 9, 2007 the last reported sale price of the Retail HOLDERS on the American Stock Exchange was \$99.60.

Trading

Investors are only able to acquire, hold, transfer and surrender a round-lot of 100 Retail HOLDERS. Bid and ask prices, however, are quoted per single Retail HOLDER.

Clearance and settlement

Retail HOLDERS have been issued in book-entry form. Retail HOLDERS are evidenced by one or more global certificates that the trustee has deposited with The Depository Trust Company, referred to as DTC. Transfers within DTC will be in accordance with DTC's usual rules and operating procedures. For further information see "Description of Retail HOLDERS."

THE TRUST

General. This discussion highlights information about the Retail HOLDERS Trust. You should read this information, information about the depositary trust agreement as well as the depositary trust agreement before you purchase Retail HOLDERS. The material terms of the depositary trust agreement are described in this prospectus under the heading “Description of the Depositary Trust Agreement.”

The Retail HOLDERS Trust. The trust was formed pursuant to the depositary trust agreement, dated as of March 12, 2001. The Bank of New York will be the trustee. The Retail HOLDERS Trust is not a registered investment company under the Investment Company Act of 1940.

The Retail HOLDERS Trust is intended to hold deposited shares for the benefit of owners of Retail HOLDERS. The trustee will perform only administrative and ministerial acts. The property of the trust will consist of the underlying securities and all monies or other property, if any, received by the trustee. The trust will terminate on December 31, 2041, or earlier if a termination event occurs.

DESCRIPTION OF RETAIL HOLDERS

The trust has issued Retail HOLDERS under the depositary trust agreement described in this prospectus under the heading “Description of the Depositary Trust Agreement.” The trust may issue additional Retail HOLDERS on a continuous basis when an investor deposits the requisite underlying securities with the trustee.

You may only acquire, hold, trade and surrender Retail HOLDERS in a round-lot of 100 Retail HOLDERS and round-lot multiples. The trust will only issue Retail HOLDERS upon the deposit of the whole shares of underlying securities that are represented by a round-lot of 100 Retail HOLDERS. In the event of a stock split, reverse stock split, or other distribution by the issuer of an underlying security that results in a fractional share becoming represented by a round-lot of Retail HOLDERS, the trust may require a minimum of more than one round-lot of 100 Retail HOLDERS for an issuance so that the trust will always receive whole share amounts for issuance of Retail HOLDERS.

Retail HOLDERS will represent your individual and undivided beneficial ownership interest in the specified underlying securities. The companies selected as part of this receipt program are listed above in the section entitled “Highlights of Retail HOLDERS—The Retail HOLDERS.”

Beneficial owners of Retail HOLDERS will have the same rights and privileges as they would have if they beneficially owned the underlying securities in “street name” outside of the trust. These include the right of investors to instruct the trustee to vote the securities, to receive dividends and other distributions on the underlying securities, if any are declared and paid to the trustee by an issuer of an underlying security, and the right to cancel Retail HOLDERS to receive the underlying securities. See “Description of the Depositary Trust Agreement.” Retail HOLDERS are not intended to change your beneficial ownership in the underlying securities under federal securities laws, including sections 13(d) and 16(a) of the Securities Exchange Act of 1934, referred to herein as the Exchange Act.

The trust will not publish or otherwise calculate the aggregate value of the underlying securities represented by a receipt. Retail HOLDERS may trade in the secondary market at prices that are lower than the aggregate value of the corresponding underlying securities. If, in such case, an owner of Retail HOLDERS wishes to realize the dollar value of the underlying securities, that owner will have to cancel the Retail HOLDERS. Such cancellation will require payment of fees and expenses as described in “Description of the Depositary Trust Agreement—Withdrawal of underlying securities.”

Retail HOLDERS are evidenced by one or more global certificates that the trustee has deposited with DTC and register in the name of Cede & Co., as nominee for DTC. Retail HOLDERS are available only in book-entry form. Owners of Retail HOLDERS may hold their Retail HOLDERS through DTC, if they are participants in DTC, or indirectly through entities that are participants in DTC.

DESCRIPTION OF THE UNDERLYING SECURITIES

Selection criteria. The underlying securities of the Retail HOLDERS are the common stocks of a group of specified companies that, at the time of initial selection, among other things, sold merchandise to retail consumers through traditional retail stores, the Internet, mail order catalogs and other outlets and whose securities are registered under Section 12 of the Securities Exchange Act. The issuers of the underlying securities were considered to be among the largest, most liquid companies involved in the retailing industry as measured by market capitalization and trading volume.

The Retail HOLDERS may no longer consist exclusively of securities issued by companies involved in the retailing industry. Merrill Lynch, Pierce, Fenner & Smith Incorporated will determine, in its sole discretion, whether the issuer of a particular underlying security remains in the retailing business and will undertake to make adequate disclosure when necessary.

Underlying securities. For a list of the underlying securities represented by Retail HOLDERS, please refer to “Highlights of Retail HOLDERS—The Retail HOLDERS.” If the underlying securities change because of a reconstitution event, a distribution of securities by an underlying issuer or other event, a revised list of underlying securities will be set forth in a prospectus supplement filed with the SEC on a periodic basis.

No investigation. The trust, the trustee, Merrill Lynch, Pierce, Fenner & Smith Incorporated, and any affiliate of these entities, have not performed any investigation or review of the selected companies, including the public filings by the companies. *Accordingly, before you acquire Retail HOLDERS, you should consider publicly available financial and other information about the issuers of the underlying securities. See “Risk Factors” and “Where You Can Find More Information.”* Investors and market participants should not conclude that the inclusion of a company in the list is any form of investment recommendation of that company by the trust, the trustee, Merrill Lynch, Pierce, Fenner & Smith Incorporated or any of their respective affiliates.

General background and historical information. For a brief description of the business of each of the issuers of the underlying securities and monthly pricing information showing the historical performance of each underlying issuer’s securities, see “Annex A.”

The following table and graph set forth the composite performance of all of the 18 underlying securities currently represented by a single Retail HOLDR, measured at the close of each month from January 30, 1998 and thereafter as of the end of each month to August 9, 2007. The performance table and graph data are adjusted for any splits that may have occurred over the measurement period. Past movements of the underlying securities are not necessarily indicative of future values.

1998	Closing Price	1999	Closing Price	2000	Closing Price	2001	Closing Price
January 30	42.86	January 29	84.91	January 31	90.36	January 31	93.75
February 27	47.56	February 26	85.13	February 29	88.36	February 28	87.67
March 31	50.93	March 31	88.44	March 31	100.88	March 30	85.34
April 30	51.45	April 30	86.65	April 28	93.42	April 30	89.31
May 29	54.33	May 28	81.03	May 31	88.25	May 31	90.74
June 30	59.32	June 30	90.47	June 30	86.91	June 29	85.92
July 31	60.31	July 30	86.27	July 31	86.62	July 31	89.94
August 31	53.49	August 31	81.10	August 31	81.15	August 31	82.01
September 30	54.55	September 30	83.48	September 29	85.06	September 28	73.77
October 30	61.77	October 29	89.91	October 31	84.02	October 31	75.45
November 30	69.18	November 30	94.93	November 30	82.67	November 30	86.30
December 31	80.15	December 31	104.84	December 29	86.99	December 31	90.08

2002	Closing Price	2003	Closing Price	2004	Closing Price	2005	Closing Price
January 31	91.92	January 31	62.42	January 30	84.09	January 31	92.63
February 28	92.07	February 28	63.22	February 27	89.37	February 28	91.65
March 28	92.86	March 31	66.70	March 31	88.79	March 31	90.65
April 30	89.72	April 30	72.97	April 30	86.46	April 29	85.30
May 31	87.61	May 30	75.12	May 28	87.69	May 31	91.08
June 28	82.17	June 30	77.23	June 30	86.71	June 30	93.60
July 31	73.00	July 31	79.34	July 30	83.78	July 29	100.60
August 30	74.70	August 29	85.32	August 31	83.88	August 31	94.02
September 30	66.26	September 30	80.36	September 30	86.72	September 30	91.20
October 31	70.81	October 31	88.38	October 29	90.18	October 31	92.76
November 29	71.93	November 28	87.99	November 30	91.22	November 30	95.90
December 31	65.96	December 31	85.33	December 31	93.43	December 30	94.25

2006	Closing Price	2007	Closing Price
January 31	94.18	January 31	103.38
February 28	96.09	February 28	102.12
March 31	96.80	March 30	101.20
April 28	95.06	April 30	103.34
May 31	93.30	May 31	105.97
June 30	94.44	June 29	104.75
July 31	90.43	July 31	100.02
August 31	92.30	August 9	99.62
September 29	97.06		
October 31	100.22		
November 30	97.60		
December 29	99.46		



DESCRIPTION OF THE DEPOSITARY TRUST AGREEMENT

General. The depositary trust agreement, dated as of March 12, 2001, among Merrill Lynch, Pierce, Fenner & Smith Incorporated, The Bank of New York, as trustee, other depositors and the owners of the Retail HOLDERS, provides that Retail HOLDERS will represent an owner's undivided beneficial ownership interest in the securities of the underlying companies.

The trustee. The Bank of New York serves as trustee for the Retail HOLDERS. The Bank of New York, which was founded in 1784, was New York's first bank and is the oldest bank in the country still operating under its original name. The Bank is a state-chartered New York banking corporation and a member of the Federal Reserve System. The Bank conducts a national and international wholesale banking business and a retail banking business in the New York City, New Jersey and Connecticut areas, and provides a comprehensive range of corporate and personal trust, securities processing and investment services.

Issuance, transfer and surrender of Retail HOLDERS. You may create and cancel Retail HOLDERS only in round-lots of 100 Retail HOLDERS. You may create Retail HOLDERS by delivering to the trustee the requisite underlying securities. The trust will only issue Retail HOLDERS upon the deposit of the whole shares represented by a round-lot of 100 Retail HOLDERS. In the event that a fractional share comes to be represented by a round-lot of Retail HOLDERS, the trust may require a minimum of more than one round-lot of 100 Retail HOLDERS for an issuance so that the trust will always receive whole share amounts for issuance of Retail HOLDERS. Similarly, you must surrender Retail HOLDERS in integral multiples of 100 Retail HOLDERS to withdraw deposited shares from the trust. The trustee will not deliver fractional shares of underlying securities, and to the extent that any cancellation of Retail HOLDERS would otherwise require the delivery of fractional shares, the trust will deliver cash in lieu of such shares. You may request withdrawal of your deposited shares during the trustee's normal business hours. The trustee expects that in most cases it will deliver your deposited shares within one business day of your withdrawal request.

Voting rights. The trustee will deliver to you proxy solicitation materials provided by issuers of the underlying securities to you so as to permit you to give the trustee instructions as to how to vote on matters to be considered at any annual or special meetings held by issuers of the underlying securities.

Under the depositary trust agreement, any beneficial owner of Retail HOLDERS, other than Merrill Lynch, Pierce, Fenner & Smith Incorporated owning Retail HOLDERS for its own proprietary account as principal, will have the right to vote to dissolve and liquidate the trust.

Distributions. You will be entitled to receive, net of trustee fees, distributions of cash, including dividends, securities or property, if any, made with respect to the underlying securities. The trustee will use its reasonable efforts to ensure that it distributes these distributions as promptly as practicable after the date on which it receives the distribution. Therefore, you may receive your distributions substantially later than you would have had you held the underlying securities directly. Any distributions of securities by an issuer of underlying securities will be deposited into the trust and will become part of the Retail HOLDERS unless such securities are not listed for trading on a U.S. national securities exchange or through the Nasdaq National Market System or such distributed securities have a different Standard & Poor's GICS sector classification than any of the underlying securities represented in the Retail HOLDERS at the time of the distribution of such securities. In addition, if the issuer of underlying securities offers rights to acquire additional underlying securities or other securities, the rights will be made available to you through the trustee, if practicable, and if the rights and the securities that those rights relate to are exempt from registration or are registered under the Securities Act. Otherwise, if practicable, the rights will be disposed of and the proceeds provided to you by the trustee. In all other cases, the rights will lapse.

You will be obligated to pay any tax or other charge that may become due with respect to Retail HOLDERS. The trustee may deduct the amount of any tax or other governmental charge from a distribution before making payment to you. In addition, the trustee will deduct its quarterly custody fee of \$2.00 for each round-lot of 100 Retail HOLDERS from quarterly dividends, if any, paid to the trustee by the issuers of the underlying securities. With respect to the aggregate custody fee payable in any calendar year for each Retail HOLDER, the trustee will waive that portion of the fee which exceeds the total cash dividends and other cash distributions received, or to be received, and payable with respect to such calendar year.

Record dates. With respect to dividend payments and voting instructions, the trustee expects to fix the trust's record dates as close as possible to the record date fixed by the issuer of the underlying securities.

Shareholder communications. The trustee promptly will forward to you all shareholder communications that it receives from issuers of the underlying securities.

Withdrawal of underlying securities. You may surrender your Retail HOLDERS and receive underlying securities during the trustee's normal business hours and upon the payment of applicable fees, taxes or governmental charges, if any. You should receive your underlying securities no later than the business day after the trustee receives your request. If you surrender Retail HOLDERS in order to receive underlying securities, you will pay to the trustee a cancellation fee of up to \$10.00 per round-lot of 100 Retail HOLDERS.

Further issuances of Retail HOLDERS. The depositary trust agreement provides for further issuances of Retail HOLDERS on a continuous basis without your consent.

Reconstitution events. The depositary trust agreement provides for the automatic distribution of underlying securities to you in the following four circumstances:

- A. If an issuer of underlying securities no longer has a class of securities registered under section 12 of the Securities Exchange Act of 1934, then its securities will no longer be an underlying security and the trustee will distribute the shares of that company to the owners of the Retail HOLDERS.
- B. If the SEC finds that an issuer of underlying securities should be registered as an investment company under the Investment Company Act of 1940, and the trustee has actual knowledge of the SEC finding, then the trustee will distribute the shares of that company to the owners of the Retail HOLDERS.
- C. If the underlying securities of an issuer cease to be outstanding as a result of a merger, consolidation, corporate combination or other event, the trustee will distribute the consideration paid by and received from the acquiring company to the beneficial owners of Retail HOLDERS only if the distributed securities have a different Standard & Poor's GICS sector classification than any of the underlying securities represented in the Retail HOLDERS at the time of the distribution or exchange or if the securities received are not listed for trading on a U.S. national securities exchange or through the Nasdaq National Market System. In any other case, the additional securities received as consideration will be deposited into the trust.
- D. If an issuer's underlying securities are delisted from trading on a U.S. national securities exchange or through the Nasdaq National Market System and are not listed for trading on another U.S. national securities exchange or through the Nasdaq National Market System within five business days from the date the securities are delisted.

To the extent a distribution of underlying securities is required as a result of a reconstitution event, the trustee will deliver the underlying security to you as promptly as practicable after the date that the trustee has knowledge of the occurrence of a reconstitution event.

As provided in the depositary trust agreement, securities of a new company will be added to the Retail HOLDERS, as a result of a distribution of securities by an underlying issuer or where an event occurs, such as a merger, where the securities of an underlying issuer are exchanged for the securities of another company, unless the securities received have a different Standard & Poor's GICS sector classification, than any of the underlying securities represented in the Retail HOLDERS at the time of distribution or exchange or are not listed for trading on a U.S. national securities exchange or through the Nasdaq National Market System.

It is anticipated, as a result of the broadly defined GICS sectors, that most distributions or exchanges of securities will result in the inclusion of new securities in the Retail HOLDERS. The trustee will review the Standard & Poor's GICS sector classifications of securities to determine whether securities received as a result of a

distribution by an underlying issuer or as consideration for securities included in the Retail HOLDRS will be distributed from the Retail HOLDRS to you.

Standard & Poor's sector classifications. Standard & Poor's Corporation is an independent source of market information that, among other things, maintains the Global Industry Classification Standard, which classifies the securities of public companies into various sector classifications based upon GICS sectors, which are derived from its own criteria. The GICS classification standards were exclusively effective on January 2, 2002. There are 10 Standard & Poor's GICS sectors and each class of publicly traded securities of a company are given only one GICS sector. The securities included in the Retail HOLDRS are currently represented in the Consumer Discretionary and Consumer Staples GICS sectors. The Standard & Poor's GICS sector classifications of the securities included in the Retail HOLDRS may change over time if the companies that issued these securities change their focus of operations or if Standard & Poor's alters the criteria it uses to determine GICS sectors, or both.

Termination of the trust. The trust will terminate if the trustee resigns and no successor trustee is appointed by Merrill Lynch, Pierce, Fenner & Smith Incorporated, as initial depositor, within 60 days from the date the trustee provides notice to Merrill Lynch, Pierce, Fenner & Smith Incorporated, as initial depositor, of its intent to resign. Upon termination, the beneficial owners of Retail HOLDRS will surrender their Retail HOLDRS as provided in the depositary trust agreement, including payment of any fees of the trustee or applicable taxes or governmental charges due in connection with delivery to the owners of the underlying securities. The trust also will terminate if Retail HOLDRS are delisted from the American Stock Exchange and are not listed for trading on another U.S. national securities exchange or through the Nasdaq National Market System within five business days from the date the Retail HOLDRS are delisted. Finally, the trust will terminate if 75% of the owners of outstanding Retail HOLDRS other than Merrill Lynch, Pierce, Fenner & Smith Incorporated vote to dissolve and liquidate the trust.

If a termination event occurs, the trustee will distribute the underlying securities to you as promptly as practicable after the termination event occurs.

Amendment of the depositary trust agreement. The trustee and Merrill Lynch, Pierce, Fenner & Smith Incorporated, as initial depositor, may amend any provisions of the depositary trust agreement without the consent of any other depositor or any of the owners of the Retail HOLDRS. Promptly after the execution of any amendment to the agreement, the trustee must furnish or cause to be furnished written notification of the substance of the amendment to each owner of Retail HOLDRS. Any amendment that imposes or increases any fees or charges, subject to exceptions, or that otherwise prejudices any substantial existing right of the owners of Retail HOLDRS will not become effective until 30 days after notice of the amendment is given to the owners of Retail HOLDRS.

Issuance and cancellation fees. If you wish to create Retail HOLDRS by delivering to the trust the requisite underlying securities, the trustee will charge you an issuance fee of up to \$10.00 for each round-lot of 100 Retail HOLDRS. If you wish to cancel your Retail HOLDRS and withdraw your underlying securities, the trustee will charge you a cancellation fee of up to \$10.00 for each round-lot of 100 Retail HOLDRS issued. The trustee may negotiate either of these fees depending on the volume, frequency and size of the issuance or cancellation transactions.

Commissions. If you choose to create or cancel Retail HOLDRS you will be responsible for paying any sales commissions associated with your purchase of the underlying securities that are charged by your broker, whether it be Merrill Lynch Pierce Fenner & Smith Incorporated or another broker, in addition to the issuance or cancellation fee, as the case may be, described above.

Custody fees. The Bank of New York, as trustee and as custodian, will charge you a quarterly custody fee of \$2.00 for each round-lot of 100 Retail HOLDRS to be deducted from any dividend payments or other cash distributions on underlying securities received by the trustee. With respect to the aggregate custody fee payable in any calendar year for each Retail HOLDR, the Trustee will waive that portion of the fee which exceeds the total cash dividends and other cash distributions received, or to be received, and payable with respect to such calendar year. The trustee cannot recapture unpaid custody fees from prior years.

Address of the trustee. The Bank of New York, ADR Department, 101 Barclay Street, New York, New York 10286.

Governing law. The depositary trust agreement and the Retail HOLDERS are governed by the laws of the State of New York. The trustee will provide the depositary trust agreement to any owner of the underlying securities free of charge upon written request.

Duties and immunities of the trustee. The trustee assumes no responsibility or liability for, and makes no representations as to, the validity or sufficiency, or as to the accuracy of the recitals, if any, set forth in the Retail HOLDERS.

The trustee has undertaken to perform only those duties as are specifically set forth in the depositary trust agreement. Subject to the preceding sentence, the trustee will be liable for its own negligence or misconduct except for good faith errors in judgment so long as the trustee was not negligent in ascertaining the relevant facts.

U.S. FEDERAL INCOME TAX CONSEQUENCES

General

The following discussion represents the opinion of Shearman & Sterling LLP, our special U.S. federal income tax counsel, as to the principal U.S. federal income tax consequences relating to the Retail HOLDERS for:

- an individual who is a citizen or resident of the United States;
- a corporation (or an entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate, the income of which is includible in gross income for U.S. federal income tax purposes regardless of its source;
- a trust if either (i) it is subject to the primary supervision of a U.S. court and one or more U.S. persons have the authority to control all substantial decisions of the trust or (ii) it has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person (a “U.S. Receipt Holder”); and
- any individual, corporation, estate or trust that is neither a U.S. Receipt Holder nor a partnership (or entity treated as a partnership) for U.S. federal income tax purposes (a “non-U.S. Receipt Holder”).

If a partnership (or an entity treated as a partnership for U.S. federal income tax purposes) holds Retail HOLDERS, the tax treatment of the partnership and each partner will generally depend on the status of the partner and the activities of the partnership. Partnerships acquiring Retail HOLDERS, and partners in such partnerships, should consult their tax advisors.

This discussion is based upon laws, regulations, rulings and decisions currently in effect, all of which are subject to change or differing interpretations, possibly on a retroactive basis. The discussion does not deal with all U.S. federal income tax consequences applicable to all categories of investors, some of which may be subject to special rules, such as (without limitation) tax-exempt entities, banks, dealers in securities, U.S. Receipt Holders whose functional currency is not the U.S. dollar, investors who acquire or hold any Retail HOLDERS as part of a conversion transaction, straddle or hedging or other integrated transaction, certain former citizens and residents of the United States and persons subject to U.S. estate, gift or alternative minimum tax. In addition, this discussion generally is limited to investors who will hold the Retail HOLDERS as “capital assets” (generally, property held for investment) within the meaning of section 1221 of the Internal Revenue Code of 1986, as amended (the “Code”). Moreover, this discussion does not address Internet Architecture HOLDERS held by a partnership or other flow through entity for U.S. federal income tax purposes. We recommend that you consult with your own tax advisor with regard to the application of the U.S. federal income tax laws to your particular situation as well as any tax consequences arising under the laws of any state, local or non-U.S. jurisdiction.

Taxation of the trust

The trust will provide for flow through tax consequences as it will be treated as a grantor trust or custodial arrangement for U.S. federal income tax purposes.

Taxation of Retail HOLDERS

A U.S. Receipt Holder purchasing and owning Retail HOLDERS will be treated, for U.S. federal income tax purposes, as directly owning a proportionate share of the underlying securities represented by Retail HOLDERS. Consequently, if there is a taxable cash distribution on an underlying security, a U.S. Receipt Holder will recognize income with respect to the distribution at the time the distribution is received by the trustee, not at the time that the U.S. Receipt Holder receives the cash distribution from the trustee.

Qualified dividend income received in respect of Retail HOLDERS by U.S. Receipt Holders who are individuals, trusts and estates will be eligible for U.S. federal income taxation at preferential rates, which are currently scheduled to expire December 31, 2010. Qualified dividend income includes dividends received from domestic corporations and “qualified foreign corporations,” as such term is defined below under “Special considerations with respect to underlying securities of foreign issuers.” In order for such dividends to qualify for the preferential rates, specific minimum holding period requirements must be met, and for this purpose, a U.S. Receipt Holder’s holding period with respect to an underlying security may be tolled for any period in which such U.S. Receipt Holder has diminished its risk of loss in respect of such security by (for example) entering into a hedging transaction. Special rules apply to a U.S. Receipt Holder who leverages its investment in Retail HOLDERS. U.S. Receipt Holders that are corporations may be eligible for a dividends-received deduction in respect of dividends received from domestic corporations.

A U.S. Receipt Holder will determine its initial tax basis in each of the underlying securities by allocating the purchase price for the Retail HOLDERS among the underlying securities based on their relative fair market values at the time of purchase. Similarly, when a U.S. Receipt Holder sells Internet Architecture HOLDERS, it will determine the amount realized with respect to each security by allocating the sales price among the underlying securities based on their relative fair market values at the time of sale. A U.S. Receipt Holder’s gain or loss with respect to each security will be computed by subtracting its adjusted basis in the security from the amount realized on the security. With respect to purchases of Retail HOLDERS for cash in the secondary market, a U.S. Receipt Holder’s aggregate tax basis in each of the underlying securities will be equal to the purchase price of the Retail HOLDERS. Similarly, with respect to sales of Retail HOLDERS for cash in the secondary market, the amount realized with respect to a sale of Retail HOLDERS will be equal to the aggregate amount realized with respect to each of the underlying securities.

The distribution of any securities by the trust upon the surrender of Retail HOLDERS, the occurrence of a reconstitution event or a termination event will not be a taxable event, except to the extent that cash is distributed in lieu of fractional shares. Gain or loss with respect to fractional shares shall be computed by allocating a portion of the aggregate tax basis of the distributed securities to such fractional shares. The U.S. Receipt Holder’s aggregate tax basis with respect to the distributed securities will be the same as when held through the trust, less any tax basis allocated to fractional shares. The U.S. Receipt Holder’s holding period with respect to the distributed securities will include the period that the U.S. Receipt Holder held the securities through the trust.

Brokerage fees and custodian fees

The brokerage fee incurred in purchasing a receipt will be treated as part of the cost of the underlying securities. Accordingly, a U.S. Receipt Holder includes this fee in its tax basis in the underlying securities. A U.S. Receipt Holder will allocate the brokerage fee among the underlying securities using either a fair market value allocation or pro rata based on the number of shares of each underlying security. Similarly, the brokerage fee incurred in selling Retail HOLDERS will reduce the amount realized with respect to the underlying securities.

A U.S. Receipt Holder will be required to include in its income the full amount of dividends paid on the underlying securities, even though the depository trust agreement provides that the custodian fees will be deducted directly from any dividends paid. These custodian fees will be treated as an expense incurred in connection with a U.S. Receipt Holder’s investment in the underlying securities and may be deductible. If a U.S. Receipt Holder is an individual, estate or trust, however, the deduction of its share of custodian fees will be a miscellaneous itemized deduction that may be disallowed in whole or in part.

Special considerations with respect to underlying securities of foreign issuers

If any of the underlying securities are securities of foreign issuers, the gross amount of any taxable cash distribution generally will not be eligible for the dividends-received deduction provided to corporations.

As discussed above, dividends received by certain U.S. Receipt Holders from an issuer of underlying securities that is a “qualified foreign corporation” will be eligible for U.S. federal income taxation at preferential rates. A qualified foreign corporation includes:

- a foreign corporation that is eligible for the benefits of a comprehensive U.S. income tax treaty, which the Secretary of the Treasury determines to be satisfactory and that includes an exchange of information program,
- a foreign corporation if the stock to which the dividend is paid is readily tradable on an established market in the United States (which includes the American Stock Exchange), and
- a corporation that is incorporated in a possession of the United States

but will not include a passive foreign investment company (as defined below),

If a foreign issuer pays a dividend in a currency other than in U.S. dollars, the amount of the dividend for U.S. federal income tax purposes will be the U.S. dollar value (determined at the spot rate on the date of the payment) regardless of whether the payment is later converted into U.S. dollars. In this case, the U.S. Receipt Holder may recognize ordinary income or loss as a result of currency fluctuations between the date on which the dividend is paid and the date the dividend amount is converted into U.S. dollars.

Subject to certain conditions and limitations, any foreign income tax withheld on dividends may be deducted from taxable income (provided the U.S. receipts holder does not elect to claim a credit for any foreign income taxes paid or accrued during that taxable year) or credited against a U.S. Receipt Holder's U.S. federal income tax liability. The limitation on foreign income taxes eligible for the U.S. foreign tax credit is calculated separately with respect to specific classes of income. For this purpose, dividends distributed by a foreign issuer generally will constitute "passive income" or, in the case of some U.S. Receipt Holders, "financial services income" for taxable years beginning before January 1, 2007. For taxable years beginning after December 31, 2006, the number of specific classes of income for which a separate limitation on foreign taxes eligible for the U.S. foreign tax credit is calculated will be reduced to two types of income, "passive category income" and "general category income." In addition, dividends distributed by a foreign issuer that constitute "financial services income" with respect to a U.S. Receipt Holder generally will be treated as constituting "general category income." For purposes of the U.S. foreign tax credit limitation, dividends received by a U.S. Receipt Holder with respect to an underlying security of a foreign issuer generally will be treated as foreign-source income while any gain or loss recognized from the sale of such security generally will be treated as from sources within the United States. Accordingly, if any foreign income taxes are withheld upon the sale of an underlying security of a foreign issuer, the available of foreign tax credits with respect to such taxes may be limited unless the U.S. Receipt Holder has other foreign-source income. The rules relating to the determination of the foreign tax credit are complex and we recommend that U.S. Receipt Holders consult their own tax advisors to determine whether and to what extent a credit would be available.

Dividends and distributions made by a foreign issuer may be subject to a foreign withholding tax. Some foreign issuers may make arrangements through which holders of their American depositary shares or global shares can apply for a refund of withheld taxes. With respect to these issuers, U.S. Receipt Holders of Retail HOLDRS may be able to use these arrangements to apply for a refund of withheld taxes. In some cases, however, the U.S. Receipt Holders of Retail HOLDRS may have to independently apply to a foreign tax authority for a refund of withheld taxes.

Additionally, special U.S. federal income tax rules apply to U.S. persons owning shares of a "passive foreign investment company" (a "PFIC"). The Initial Depositor is not aware that any of the foreign issuers of the underlying securities is currently a PFIC, although no assurances can be made that the applicable tax law or other relevant circumstances will not change in a manner which affects the PFIC determination. The Initial Depositor will notify the trustee, who in turn will notify the U.S. Receipt Holders, if it becomes aware that any of the foreign issuers is a PFIC. A foreign corporation generally will be classified as a PFIC for U.S. federal income tax purposes in any taxable year in which, after applying relevant look-through rules, either:

- at least 75% of its gross income is "passive income;" or

- on average at least 50% of the gross value of its assets is attributable to assets that produce “passive income” or are held for the production of passive income.

Passive income for this purpose generally includes dividends, interest, royalties, rents and gains from commodities and securities transactions.

If a corporation were classified as a PFIC, a U.S. Receipt Holder could be subject to increased tax liability, possibly including an interest charge, upon the sale or other disposition of the Retail HOLDERS or of the underlying securities or upon the receipt of “excess distributions.” To avoid the interest charge provisions described in the preceding sentence, a U.S. Receipt Holder can make one of certain elections (to the extent available under specific rules) including an election to be taxed currently on its pro rata portion of the corporation’s income, whether or not the income was distributed in the form of dividends or otherwise.

Non-U.S. Receipt Holders

A non-U.S. Receipt Holder generally will be subject to U.S. withholding tax at a rate of 30% or a lower rate as may be specified by an applicable tax treaty with respect to dividends received on underlying securities of U.S. issuers. A non-U.S. Receipt Holder who wishes to claim a reduction in withholding under the benefit of an applicable tax treaty must comply with certification requirements. However, if that income is effectively connected with a U.S. trade or business conducted by the non-U.S. Receipt Holder or, where a tax treaty applies, is attributable to a permanent establishment maintained in the United States by the non-U.S. Receipt Holder, then those dividends will be exempt from withholding tax, provided the non-U.S. Receipt Holder complies with applicable certification and disclosure requirements.

A non-U.S. Receipt Holder generally will not be subject to U.S. federal income or withholding tax with respect to dividends received on any underlying securities of a foreign issuer, unless that income is effectively connected with a U.S. trade or business conducted by the non-U.S. Receipt Holder or, where a tax treaty applies, is attributable to a permanent establishment maintained in the United States by the non-U.S. Receipt Holder.

With respect to dividends of U.S. and any foreign issuers, a non-U.S. Receipt Holder’s dividends that are effectively connected with a U.S. trade or business or, where a tax treaty applies, dividends attributable to a U.S. permanent establishment generally will be subject to U.S. federal income taxation on a net income basis at the same graduated rates applicable to U.S. persons. In addition to this graduated tax, effectively connected dividends or, where a tax treaty applies, dividends attributable to a U.S. permanent establishment received by a corporate non-U.S. Receipt Holder may also be subject to a branch profits tax at a rate of 30% or a lower rate as may be specified by an applicable tax treaty. Under some circumstances, a corporate non- U.S. Receipt Holder whose dividends are effectively connected or attributable to a U.S. permanent establishment may be entitled to a dividends received deduction equal to 70% or 80% of the amount of the dividend.

A non-U.S. Receipt Holder that is eligible for a reduced rate of withholding tax pursuant to a tax treaty may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the Internal Revenue Service (the “IRS”).

A non-U.S. Receipt Holder generally will not be subject to U.S. federal income or withholding tax with respect to gain recognized upon the sale or other disposition of Retail HOLDERS or of the underlying securities unless:

- that gain is effectively connected with a U.S. trade or business conducted by the non-U.S. Receipt Holder or, where a tax treaty applies, is attributable to a permanent establishment maintained in the United States by the non-U.S. Receipt Holder,
- in the case of any gain realized by an individual non-U.S. Receipt Holder, the non-U.S. Receipt Holder is present in the United States for 183 days or more in the taxable year of the sale or other disposition and certain other conditions are met, or

- the underlying securities issuer is or has been a U.S. real property holding corporation for U.S. federal income tax purposes at any time during the shorter of the five-year period ending on the date of the disposition or the period during which the non-U.S. Receipt Holder held the common stock of such issuer and (a) the common stock is not considered to be “regularly traded on an established securities market” or (b) the non-U.S. Receipt Holder owned, actually or constructively, at any time during the shorter of the periods described above, more than 5% of the common stock of such issuer. It is expected that the underlying securities are currently “regularly traded on an established securities market” although no assurances can be made that the securities will continue to be so traded.

Effectively connected gains or gains attributable to a U.S. permanent establishment generally will be subject to U.S. federal income taxation on a net income basis at the same graduated rates applicable to U.S. persons, and may, in the case of a corporate non-U.S. Receipt Holder, also be subject to the branch profits tax. We recommend that non-U.S. Receipt Holders consult their own tax advisors to determine whether any applicable tax treaties provide for different rules.

Backup withholding and information reporting

Information returns will be filed with the IRS in connection with dividend payments made with respect to the underlying securities, or the proceeds of the sale or other disposition of the Internet Architecture HOLDRS (or the underlying securities). If you are a non-corporate U.S. Receipt Holder, you will be subject to U.S. backup withholding tax at the applicable rate on these payments unless you are an exempt holder (such as a corporation or tax exempt entity) or you provide your taxpayer identification number to the paying agent and comply with certain certification procedures. If you are a non-U.S. Receipt Holder, you may have to comply with certification procedures to establish that you are not a U.S. person in order to avoid the information reporting and backup withholding tax requirements. However, payments of dividends to non-U.S. Receipt Holders will be reported on IRS Form 1042-S even if such payments are not otherwise subject to the information reporting requirements.

The amount of any backup withholding from a payment to you will be allowed as a credit against your U.S. federal income tax liability and may entitle you to a refund, provided that the required information is furnished to the IRS on a timely basis.

The preceding discussion does not address all aspects of U.S. federal income taxation that may be relevant in light of a non-U.S. Receipt Holder’s or an issuer’s particular facts and circumstances. We recommend that investors consult their own tax advisors.

ERISA CONSIDERATIONS

Any plan fiduciary which proposes to have a plan acquire Retail HOLDERS should consult with its counsel with respect to the potential applicability of the prohibited transaction provisions of ERISA and the Internal Revenue Code to this investment, and whether any exemption would be applicable and determine on its own whether all conditions have been satisfied. Moreover, each plan fiduciary should determine whether, under the general fiduciary standards of investment prudence and diversification, an acquisition of Retail HOLDERS is appropriate for the plan, taking into account the overall investment policy of the plan and the composition of the plan's investment portfolio.

PLAN OF DISTRIBUTION

In accordance with the depositary trust agreement, the trust issued Retail HOLDERS to Merrill Lynch, Pierce, Fenner & Smith Incorporated, and Merrill Lynch, Pierce, Fenner & Smith Incorporated has deposited the underlying securities to receive Retail HOLDERS. The trust delivered the initial distribution of Retail HOLDERS against deposit of the underlying securities in New York, New York on approximately January 17, 2001.

Investors who purchase Retail HOLDERS through a fee-based brokerage account will pay fees charged by the brokerage account. We recommend that investors review the terms of their brokerage accounts for details on applicable charges.

Members of the selling group have from time to time provided investment banking and other financial services to some of the issuers of the underlying securities and expect in the future to provide these services, for which they have received and will receive customary fees and commissions. They also may have served as counterparties in other transactions with some of the issuers of the underlying securities.

Merrill Lynch, Pierce, Fenner & Smith Incorporated has used and may continue to use this prospectus, as updated from time to time, in connection with offers and sales related to market-making transactions in the Retail HOLDERS. Merrill Lynch, Pierce, Fenner & Smith Incorporated may act as principal or agent in these transactions. Market-making sales will be made at prices related to prevailing market prices at the time of sale.

Merrill Lynch, Pierce, Fenner & Smith Incorporated has agreed to indemnify the trustee against some civil liabilities related to acts performed or not performed by the trustee in accordance with the depositary trust agreement or periodic reports filed or not filed with the SEC with respect to the Retail HOLDERS. Should a court determine not to enforce the indemnification provision, Merrill Lynch, Pierce, Fenner & Smith Incorporated also has agreed to contribute to payments the trustee may be required to make with respect to these liabilities.

LEGAL MATTERS

Legal matters, including the validity of the Retail HOLDERS, were passed upon for Merrill Lynch, Pierce, Fenner & Smith Incorporated, the initial depositor and the underwriter in connection with the initial offering of Retail HOLDERS, by Shearman & Sterling LLP, New York, New York. Shearman & Sterling LLP, as special U.S. tax counsel to the trust, also rendered an opinion regarding the material U.S. federal income tax consequences relating to the Retail HOLDERS.

WHERE YOU CAN FIND MORE INFORMATION

Merrill Lynch, Pierce, Fenner & Smith Incorporated has filed a registration statement on Form S-1 with the SEC covering the Retail HOLDERS. While this prospectus is a part of the registration statement, it does not contain all the exhibits filed as part of the registration statement. You should consider reviewing the full text of those exhibits.

The registration statement is available over the Internet at the SEC's Web site at <http://www.sec.gov>. You also may read and copy the registration statement at the SEC's public reference rooms in Washington, D.C.. Please call the SEC at 1-800-SEC-0330 for more information on the public reference rooms and their copy charges. Merrill

Lynch, Pierce, Fenner & Smith Incorporated will not file any reports pursuant to the Exchange Act. The trust will file modified reports pursuant to the Securities Exchange Act of 1934.

Since the securities of the issuers of the underlying securities are registered under the Securities Exchange Act of 1934, the issuers of the underlying securities are required to file periodically financial and other information specified by the SEC. For more information about the issuers of the underlying securities, information provided to or filed with the SEC by the issuers of the underlying securities with respect to their registered securities can be inspected at the SEC's public reference facilities or accessed through the SEC's Web site referenced above. However, some of the issuers of the underlying securities may be considered foreign issuers. The requirements for filing periodic financial and other information for foreign issuers differ from that of domestic issuers. In particular, foreign issuers are not required to file quarterly reports with the SEC and are not required to file periodic financial and other information on EDGAR. Therefore, this information may not be accessible through the SEC's Web site. Information regarding the issuers of the underlying securities may also be obtained from other sources including, but not limited to, press releases, newspaper articles and other publicly disseminated information.

The trust and the selling group and their affiliates are not affiliated with the issuers of the underlying securities, and the issuers of the underlying securities have no obligations with respect to Retail HOLDERS. This prospectus relates only to Retail HOLDERS and does not relate to the other securities of the issuers of the underlying securities. The information in this prospectus regarding the issuers of the underlying securities has been derived from the publicly available documents described in the preceding paragraph. We have not participated in the preparation of these documents or made any due diligence inquiries with respect to the issuers of the underlying securities in connection with Retail HOLDERS. We make no representation that these publicly available documents or any other publicly available information regarding the issuers of the underlying securities are accurate or complete. Furthermore, we cannot assure you that all events occurring prior to the date of this prospectus, including events that would affect the accuracy or completeness of the publicly available documents described in the preceding paragraph, that would affect the trading price of the securities of the issuers of the underlying securities, and therefore the offering and trading prices of the Retail HOLDERS have been publicly disclosed.

ANNEX A

This annex forms an integral part of the prospectus.

The following tables provide a brief description of the business of each of the issuers of the underlying securities and set forth the split-adjusted closing market prices, as reported on the applicable primary U.S. trading market, of each of the underlying securities in each month during 2002, 2003, 2004, 2005 and 2006 through August 9, 2007. The historical prices of the underlying securities should not be taken as an indication of future performance.

AMAZON.COM, INC. (AMZN)

Amazon.com, Inc. operates retail Web sites, as well as provides programs that enable third parties to sell products on its Web sites. The company sources and sells a range of products to its customers. The company, together with third parties, sells various product categories, such as books, music, DVDs, unbox video downloads, VHS, magazines and newspapers, video games, software, amazon shorts, electronics, audio and video, cameras and photos, cell phones and service, computers and PC hardware, office products, musical instruments, outlet, home and garden products, bed and bath products, furniture and decor, gourmet food, kitchen and housewares, pet supplies, automotives, tools and hardware, industrial and scientific, apparel and accessories, shoes, jewelry and watches, grocery, beauty, health and personal care, sports and outdoors, toys and games, and baby products. Its retail Web sites include amazon.com, amazon.ca, amazon.de, amazon.fr, amazon.co.jp, amazon.co.uk, joyo.com, shopbop.com, and endless.com.

2002	Closing Price	2003	Closing Price	2004	Closing Price	2005	Closing Price	2006	Closing Price	2007	Closing Price
January	14.19	January	21.85	January	50.40	January	43.22	January	44.82	January	37.67
February	14.10	February	22.01	February	43.01	February	35.18	February	37.44	February	39.14
March	14.30	March	26.03	March	43.28	March	34.27	March	36.53	March	39.79
April	16.69	April	28.69	April	43.60	April	32.36	April	35.21	April	61.33
May	18.23	May	35.89	May	48.50	May	35.51	May	34.61	May	69.14
June	16.25	June	36.32	June	54.40	June	33.09	June	38.68	June	68.41
July	14.77	July	41.64	July	38.92	July	45.15	July	26.89	July	78.54
August	14.94	August	46.32	August	38.14	August	42.70	August	30.83		
September	15.93	September	48.43	September	40.86	September	45.30	September	32.12		
October	19.36	October	54.43	October	34.13	October	39.86	October	38.09		
November	23.35	November	53.97	November	39.68	November	48.46	November	40.34		
December	18.89	December	52.62	December	44.29	December	47.15	December	39.46		

The closing price on August 9, 2007 was \$74.11.

BEST BUY CO., INC. (BBY)

Best Buy Co., Inc. operates as a specialty retailer of consumer electronics, home-office products, entertainment software, appliances, and related services primarily in the United States, Canada, and China. It offers various video products, which include televisions, digital cameras, home theater system installations, DVD players, digital camcorders, and accessories; audio products, such as MP3 players, and home theater audio systems, as well as mobile electronics, including car stereo and satellite radio products, and related accessories. The company also provides home-office products that comprise notebook and desktop computers, computer support services, telephones, networking, and accessories; entertainment software products, which include DVD movies, video game hardware and software, CDs and computer software; and appliances product group includes appliances, as well as vacuum cleaners, small electrics, and house wares. It operates retail stores and commercial Web sites under the brand names, Best Buy, Five Star, Future Shop, Geek Squad, Magnolia Audio Video, and Pacific Sales Kitchen and Bath Centers.

2002	Closing Price	2003	Closing Price	2004	Closing Price	2005	Closing Price	2006	Closing Price	2007	Closing Price
January	32.89	January	17.39	January	33.59	January	35.86	January	50.66	January	50.40
February	29.95	February	19.38	February	35.50	February	36.01	February	53.86	February	46.48
March	35.20	March	17.98	March	34.48	March	36.01	March	55.93	March	48.72
April	33.05	April	23.05	April	36.17	April	33.56	April	56.66	April	46.65
May	30.80	May	25.80	May	35.17	May	36.29	May	53.00	May	48.29
June	24.20	June	29.28	June	33.83	June	45.70	June	54.84	June	46.67
July	22.60	July	29.10	July	32.11	July	51.07	July	45.34	July	44.59
August	14.13	August	34.67	August	31.01	August	47.66	August	47.00		
September	14.87	September	31.68	September	36.16	September	43.53	September	53.56		
October	13.74	October	38.87	October	39.48	October	44.26	October	55.25		
November	18.45	November	41.33	November	37.59	November	48.24	November	54.97		
December	16.10	December	34.83	December	39.61	December	43.48	December	49.19		

The closing price on August 9, 2007 was \$44.93.

COSTCO WHOLESALE CORPORATION (COST)

Costco Wholesale Corporation operates membership warehouses that offer a selection of branded and private label products in a range of merchandise categories in no-frills, self-service warehouse facilities. Its product categories include candy, snack foods, tobacco, alcoholic and nonalcoholic beverages, and cleaning and institutional supplies; dry and institutionally packaged foods; meat, bakery, deli, and produce; appliances, electronics, health and beauty aids, hardware, office supplies, garden and patio, sporting goods, furniture, cameras, and automotive supplies; apparel, domestics, jewelry, house wares, media, home furnishings, and small appliances; and gas stations, pharmacy, food court, optical, one-hour photo, hearing aid, and travel. Costco offers Business, Gold Star (individual), and Executive Memberships.

2002	Closing Price	2003	Closing Price	2004	Closing Price	2005	Closing Price	2006	Closing Price	2007	Closing Price
January	46.00	January	28.87	January	36.94	January	47.27	January	49.89	January	56.16
February	41.26	February	30.52	February	38.86	February	46.59	February	51.19	February	55.89
March	39.82	March	30.03	March	37.61	March	44.18	March	54.16	March	53.84
April	40.20	April	34.61	April	37.50	April	40.63	April	54.43	April	53.57
May	39.27	May	37.25	May	37.90	May	45.38	May	52.93	May	56.47
June	38.62	June	36.60	June	41.18	June	44.73	June	57.13	June	58.52
July	34.87	July	36.99	July	40.71	July	45.97	July	52.76	July	59.80
August	33.41	August	32.25	August	41.17	August	43.40	August	46.79		
September	32.37	September	31.15	September	41.51	September	43.09	September	49.68		
October	33.93	October	35.45	October	47.94	October	48.37	October	53.58		
November	32.30	November	35.82	November	48.60	November	49.95	November	52.30		
December	28.06	December	37.18	December	48.41	December	49.47	December	52.87		

The closing price on August 9, 2007 was \$63.24.

CVS CAREMARK CORPORATION (CVS)

CVS Caremark Corporation operates retail drugstores in the United States. The company, through its stores, offers prescription drugs; general merchandise, including over-the-counter drugs, beauty products and cosmetics, seasonal merchandise, greeting cards, and convenience foods; and film and photofinishing services. It also provides diagnostic services and treats minor health conditions. The company also offers pharmacy benefit management services, including mail order pharmacy; specialty pharmacy; plan, design, and administration; formulary management; claims processing; and reinsurance services to managed care and other organizations. Its specialty pharmacy focuses on supporting individuals that require drug therapies to treat conditions, such as organ transplants; HIV/AIDS; and genetic conditions, including infertility, multiple sclerosis, and certain cancers.

2002	Closing Price	2003	Closing Price	2004	Closing Price	2005	Closing Price	2006	Closing Price	2007	Closing Price
January	13.85	January	11.31	January	17.86	January	23.18	January	27.76	January	33.65
February	13.66	February	12.45	February	18.75	February	24.92	February	28.33	February	31.42
March	17.17	March	11.93	March	17.65	March	26.31	March	29.87	March	34.14
April	16.74	April	12.11	April	19.32	April	25.79	April	29.72	April	36.24
May	16.02	May	13.05	May	20.84	May	27.43	May	27.90	May	38.54
June	15.30	June	14.02	June	21.01	June	29.07	June	30.70	June	36.45
July	14.30	July	15.00	July	20.94	July	31.03	July	32.72	July	35.19
August	14.70	August	16.30	August	20.00	August	29.37	August	33.55		
September	12.68	September	15.53	September	21.07	September	29.01	September	32.12		
October	13.87	October	17.59	October	21.73	October	24.11	October	31.38		
November	13.44	November	18.73	November	22.69	November	27.02	November	28.77		
December	12.49	December	18.06	December	22.54	December	26.42	December	30.91		

The closing price on August 9, 2007 was \$37.69.

THE GAP, INC. (GPS)

The Gap, Inc. is a global specialty retailer, which offers casual and business-casual apparel, intimate apparel, personal care and other accessories for men, women and children under a variety of brand names, including Gap, Old Navy, Banana Republic, Piperlime, and Forth & Towne. The Gap offers these products directly to customers through its Web sites, catalogs and retail stores in the United States, Canada, the United Kingdom, France, Ireland and Japan.

2002	Closing Price	2003	Closing Price	2004	Closing Price	2005	Closing Price	2006	Closing Price	2007	Closing Price
January	14.40	January	14.63	January	18.58	January	22.01	January	18.09	January	19.17
February	11.97	February	13.04	February	20.80	February	21.33	February	18.54	February	19.19
March	15.04	March	14.49	March	21.92	March	21.84	March	18.68	March	17.21
April	14.11	April	16.63	April	22.01	April	21.35	April	18.09	April	17.95
May	14.57	May	17.00	May	24.15	May	21.00	May	18.20	May	18.52
June	14.20	June	18.76	June	24.25	June	19.75	June	17.40	June	19.10
July	12.15	July	17.99	July	22.70	July	21.11	July	17.35	July	17.20
August	11.73	August	20.89	August	18.74	August	19.01	August	16.81		
September	10.85	September	17.12	September	18.65	September	17.43	September	18.95		
October	11.77	October	19.08	October	19.98	October	17.28	October	21.02		
November	15.89	November	21.50	November	21.85	November	17.38	November	18.72		
December	15.52	December	23.21	December	21.12	December	17.64	December	19.50		

The closing price on August 9, 2007 was \$15.66.

THE HOME DEPOT, INC. (HD)

The Home Depot, Inc. operates as a home improvement retailer primarily in the United States, Canada, and Mexico. It operates The Home Depot stores, which sell building materials, home improvement supplies, and lawn and garden products to do-it-yourself customers, do-it-for-me customers, home improvement contractors, tradespeople, and building maintenance professionals. The company also operates The Home Depot and EXPO Design Center stores that offer various installation services, which include products, such as carpeting, flooring, cabinets, countertops, and water heaters primarily to business-to-business customers, including home builders, professional contractors, municipalities, and maintenance professionals; and provides professional installation of various products through its in-home sales programs, such as generators and furnace, and central air systems.

2002	Closing Price	2003	Closing Price	2004	Closing Price	2005	Closing Price	2006	Closing Price	2007	Closing Price
January	50.09	January	20.90	January	35.47	January	41.26	January	40.55	January	40.74
February	50.00	February	23.45	February	36.31	February	40.02	February	42.15	February	39.59
March	48.61	March	24.36	March	37.36	March	38.24	March	42.30	March	36.74
April	46.37	April	28.13	April	35.19	April	35.37	April	39.93	April	37.87
May	41.69	May	32.49	May	35.92	May	39.35	May	38.12	May	38.87
June	36.73	June	33.12	June	35.20	June	38.90	June	35.79	June	39.35
July	30.88	July	31.20	July	33.72	July	43.51	July	34.71	July	37.17
August	32.93	August	32.16	August	36.56	August	40.32	August	34.29		
September	26.10	September	31.85	September	39.20	September	38.14	September	36.27		
October	28.88	October	37.07	October	41.08	October	41.04	October	37.33		
November	26.40	November	36.76	November	41.75	November	41.78	November	37.97		
December	24.02	December	35.49	December	42.74	December	40.48	December	40.16		

The closing price on August 9, 2007 was \$35.79.

KOHL'S CORPORATION (KSS)

Kohl's Corporation operates family-oriented department stores in the United States. The company's stores offer apparel, accessories, and footwear for women, men, and children; soft home products, such as towels, sheets, and pillows; and house wares.

2002	Closing Price	2003	Closing Price	2004	Closing Price	2005	Closing Price	2006	Closing Price	2007	Closing Price
January	66.29	January	52.37	January	44.30	January	47.01	January	44.39	January	70.91
February	67.67	February	48.9	February	51.50	February	47.87	February	48.11	February	69.00
March	71.15	March	56.58	March	48.33	March	51.63	March	53.01	March	76.61
April	73.70	April	56.8	April	41.79	April	47.60	April	55.84	April	74.04
May	75.00	May	52.35	May	47.56	May	48.69	May	53.69	May	75.32
June	70.08	June	51.38	June	42.28	June	55.91	June	59.12	June	71.03
July	66.00	July	59.35	July	45.76	July	56.35	July	56.63	July	60.80
August	69.72	August	63.26	August	49.48	August	52.45	August	62.51		
September	60.81	September	53.50	September	48.19	September	50.18	September	64.92		
October	58.45	October	56.07	October	50.76	October	48.13	October	70.60		
November	68.5	November	48.32	November	46.16	November	46.00	November	69.60		
December	55.95	December	44.94	December	49.17	December	48.60	December	68.43		

The closing price on August 9, 2007 was \$59.64.

THE KROGER CO. (KR)

The Kroger Co. operates as a food retailer in the United States. The company operates three formats of supermarkets: combination food and drug stores (combo stores), multi department stores, and price impact warehouse stores or marketplace stores. The combo stores operate as food stores; and provide pharmacies, food and organic sections, general merchandise, and pet centers, as well as perishables, such as seafood and organic produce. The multi department stores offer general merchandise items, such as apparel, home fashion and furnishings, electronics, automotive, toys, and fine jewelry. The combo and multi department stores also have fuel centers. The price impact warehouse stores offer grocery, health, and beauty care items, such as meat, dairy, baked goods, and fresh produce. The company also manufactures and processes food for sale in its supermarkets. In addition, the company operates convenience stores, which offer an assortment of staple food items and general merchandise, as well as gasoline; and fine jewelry stores.

2002	Closing Price	2003	Closing Price	2004	Closing Price	2005	Closing Price	2006	Closing Price	2007	Closing Price
January	20.60	January	15.09	January	18.53	January	17.10	January	18.40	January	25.60
February	22.15	February	13.22	February	19.22	February	17.99	February	20.04	February	25.64
March	22.16	March	13.15	March	16.64	March	16.03	March	20.36	March	28.25
April	22.77	April	14.30	April	17.50	April	15.77	April	20.26	April	29.51
May	22.35	May	16.05	May	16.69	May	16.77	May	20.11	May	30.32
June	19.90	June	16.68	June	18.20	June	19.03	June	21.86	June	28.13
July	19.48	July	16.95	July	15.80	July	19.85	July	22.93	July	25.96
August	18.08	August	19.21	August	16.53	August	19.74	August	23.81		
September	14.10	September	17.87	September	15.52	September	20.59	September	23.14		
October	14.80	October	17.49	October	15.11	October	19.90	October	22.49		
November	15.73	November	18.86	November	16.18	November	19.46	November	21.46		
December	15.45	December	18.51	December	17.54	December	18.88	December	23.07		

The closing price on August 9, 2007 was \$24.83.

LIMITED BRANDS, INC. (LTD)

Limited Brands, Inc. sells women's and men's apparel, lingerie, beauty, and personal care products primarily in the United States and Canada. It offers women's intimate and other apparel, personal care and beauty products, and accessories under the Victoria's Secret and La Senza brands; personal care, beauty, and home fragrance products under the Bath & Body Works, C.O. Bigelow, and White Barn Candle Co. brands; women's and men's apparel through Limited Stores; and fashion and personal care products for women through Henri Bendel specialty stores, one each in New York, New York and Columbus, Ohio.

2002	Closing Price	2003	Closing Price	2004	Closing Price	2005	Closing Price	2006	Closing Price	2007	Closing Price
January	18.55	January	12.59	January	18.20	January	23.70	January	23.66	January	27.94
February	18.01	February	11.88	February	19.75	February	23.78	February	23.67	February	27.66
March	17.90	March	12.87	March	20.00	March	24.30	March	24.46	March	26.06
April	19.16	April	14.54	April	20.64	April	21.69	April	25.64	April	27.57
May	20.99	May	15.26	May	19.30	May	20.57	May	27.16	May	26.25
June	21.30	June	15.50	June	18.70	June	21.42	June	25.59	June	27.45
July	17.97	July	16.71	July	20.44	July	24.38	July	25.16	July	24.15
August	15.29	August	16.96	August	20.08	August	21.98	August	25.73		
September	14.34	September	15.08	September	22.29	September	20.43	September	26.49		
October	15.67	October	17.60	October	24.78	October	20.01	October	29.47		
November	17.01	November	17.92	November	24.44	November	22.25	November	31.69		
December	13.93	December	18.03	December	23.02	December	22.35	December	28.94		

The closing price on August 9, 2007 was \$23.88.

LOWE'S COMPANIES, INC. (LOW)

Lowe's Companies, Inc. operates as a home improvement retailer in the United States and Canada. The company offers a range of products and services for home decoration, maintenance, repair, remodeling, and property maintenance. Its home improvement products include appliances, lumber, flooring, millwork, paint, building materials, fashion plumbing, lighting, tools, lawn and landscape, hardware, seasonal living, cabinets and countertops, outdoor power equipment, rough plumbing, rough electrical, nursery, home environment, walls/windows, home organization, boards, panel, irrigation pipe, vinyl sidings, ladders, and building materials products. The company serves homeowners and renters, including do-it-yourself and do-it-for-me customers, and others who buy for personal and family use; and commercial business customers, such as repair and remodeling contractors, electricians, landscapers, painters, plumbers, and commercial and residential property maintenance professionals.

2002	Closing Price	2003	Closing Price	2004	Closing Price	2005	Closing Price	2006	Closing Price	2007	Closing Price
January	23.04	January	17.09	January	26.78	January	28.50	January	31.78	January	33.17
February	22.63	February	19.65	February	28.00	February	29.39	February	34.09	February	32.55
March	21.75	March	20.41	March	28.07	March	28.55	March	32.22	March	31.49
April	21.15	April	21.95	April	26.03	April	26.06	April	31.53	April	30.56
May	23.58	May	21.13	May	26.79	May	28.61	May	31.14	May	32.82
June	22.70	June	21.48	June	26.28	June	29.11	June	30.34	June	30.69
July	18.93	July	23.78	July	24.36	July	33.11	July	28.35	July	28.01
August	20.69	August	27.43	August	24.85	August	32.16	August	27.06		
September	20.70	September	25.95	September	27.18	September	32.20	September	28.06		
October	20.87	October	29.47	October	28.14	October	30.39	October	30.14		
November	20.75	November	29.15	November	27.67	November	33.74	November	30.16		
December	18.75	December	27.70	December	28.80	December	33.33	December	31.15		

The closing price on August 9, 2007 was \$27.43.

MACY'S, INC. (M)

Macy's, Inc. operates department stores in the United States. Its retail stores sell a range of merchandise, including men's, women's, and children's apparel; and accessories, cosmetics, home furnishings, and other consumer goods. The company operates retail stores in the District of Columbia, Guam, and Puerto Rico under the names Macy's and Bloomingdale's. It also conducts electronic commerce and direct-to-customer mail catalog businesses under the names macys.com, bloomingdales.com, and Bloomingdale's By Mail. In addition, the company offers an online bridal registry to customers.

2002	Closing Price	2003	Closing Price	2004	Closing Price	2005	Closing Price	2006	Closing Price	2007	Closing Price
January	20.81	January	13.01	January	23.74	January	28.40	January	33.32	January	41.49
February	20.96	February	12.75	February	26.19	February	28.23	February	35.52	February	44.67
March	20.43	March	14.01	March	27.03	March	31.82	March	36.50	March	45.05
April	19.88	April	15.31	April	24.50	April	28.75	April	38.93	April	43.92
May	20.71	May	16.25	May	23.86	May	33.73	May	36.42	May	39.93
June	19.85	June	18.43	June	24.55	June	36.64	June	36.60	June	39.78
July	18.81	July	20.01	July	23.96	July	37.94	July	35.11	July	36.07
August	17.95	August	21.85	August	21.70	August	34.49	August	37.98		
September	14.72	September	20.95	September	22.72	September	33.44	September	43.21		
October	15.35	October	23.78	October	25.23	October	30.69	October	43.91		
November	16.34	November	24.46	November	27.40	November	32.22	November	42.09		
December	14.38	December	23.57	December	28.90	December	33.17	December	38.13		

The closing price on August 9, 2007 was \$33.56.

RADIOSHACK CORPORATION (RSH)

RadioShack Corporation engages in the retail sale of consumer electronic goods and services, through its RadioShack store chain and non-RadioShack branded kiosk operations in the United States. Its products include wireless telephones and communication devices, such as scanners and two-way radios; flat panel televisions, residential telephones, DVD players, computers, and direct-to-home (DTH) satellite systems; home entertainment, wireless, imaging, and computer accessories; general and special purpose batteries; wire, cable, and connectivity products; and digital cameras, radio-controlled cars and other toys, satellite radios, and memory players. The company also provides consumers access to third-party services, such as wireless telephone and DTH satellite activation, satellite radio service, prepaid wireless airtime, and extended service plans. It also manufactures various products, including telephony, antennas, wire, and cable products, as well as hard-to-find parts and accessories for consumer electronics products.

2002	Closing Price	2003	Closing Price	2004	Closing Price	2005	Closing Price	2006	Closing Price	2007	Closing Price
January	31.52	January	19.95	January	32.58	January	33.12	January	22.20	January	22.10
February	27.44	February	19.64	February	34.56	February	29.56	February	19.55	February	24.97
March	30.04	March	22.29	March	33.16	March	24.50	March	19.23	March	27.03
April	31.20	April	23.71	April	30.76	April	24.97	April	17.00	April	29.07
May	34.24	May	24.10	May	30.39	May	25.16	May	16.82	May	34.14
June	30.06	June	26.31	June	28.63	June	23.17	June	14.00	June	33.14
July	25.60	July	26.57	July	27.95	July	23.47	July	16.17	July	25.13
August	21.79	August	30.40	August	26.94	August	25.06	August	18.06		
September	20.06	September	28.41	September	28.64	September	24.80	September	19.30		
October	20.90	October	29.99	October	29.93	October	22.10	October	17.84		
November	23.75	November	31.15	November	31.57	November	22.81	November	17.53		
December	18.74	December	30.68	December	32.88	December	21.03	December	16.78		

The closing price on August 9, 2007 was \$22.60.

SAFeway INC. (SWY)

Safeway, Inc. operates as a food and drug retailer in North America. The company operates stores that provide an array of dry grocery items, food, and general merchandise, as well as features specialty departments, such as bakery, delicatessen, floral, and pharmacy. It offers the SELECT line of products, including salsas, bagged salads, whole bean coffees, and a line of cookies and other sweets; the Verdi line of frozen pizzas, fresh and frozen pastas, pasta sauces, and olive oils; Artisan line of fresh-baked breads; an array of ice creams, frozen yogurts, and sorbets; cereals and low-fat cereal bars; Gourmet Club frozen entrees and hors d'oeuvres; Lucerne line of dairy products; Primo Taglio line of meats and cheeses; Signature brand soups, sandwiches, and salads; and O ORGANICS line of products that primarily include milk, chicken, salads, juices, and entrée; Priority line of pet foods and pet care products; and Basic Red line of paper goods. In addition, the company's stores feature Starbucks coffee shops and adjacent fuel centers; provides third-party gift cards, prepaid cards, and sports and entertainment cards; and operates an online grocery store.

2002	Closing Price	2003	Closing Price	2004	Closing Price	2005	Closing Price	2006	Closing Price	2007	Closing Price
January	40.45	January	23.70	January	22.59	January	18.85	January	23.44	January	36.03
February	42.98	February	19.89	February	22.87	February	18.40	February	24.31	February	34.53
March	45.02	March	18.93	March	20.58	March	18.53	March	25.12	March	36.64
April	41.95	April	16.62	April	22.95	April	21.29	April	25.13	April	36.30
May	40.65	May	18.84	May	22.56	May	22.01	May	23.58	May	34.48
June	29.19	June	20.46	June	25.34	June	22.59	June	26.00	June	34.03
July	27.82	July	21.35	July	21.13	July	24.30	July	28.08	July	31.87
August	25.82	August	24.41	August	20.20	August	23.73	August	30.93		
September	22.30	September	22.94	September	19.31	September	25.60	September	30.35		
October	23.10	October	21.10	October	18.24	October	23.26	October	29.36		
November	23.78	November	20.75	November	19.28	November	23.25	November	30.81		
December	23.36	December	21.91	December	19.74	December	23.66	December	34.56		

The closing price on August 9, 2007 was \$30.56.

SUPERVALU INC (SVU)¹

SUPERVALU, INC. operates as a grocery company in the United States. The company conducts its retail operations under three retail food store formats: combination stores, food stores, and limited assortment food stores under Albertsons, Save-A-Lot, Shaw's Supermarkets, Jewel-Osco, Acme Markets, Shoppers Food & Pharmacy, Cub Foods, Farm Fresh, Lucky, Shop 'n Save, Scott's, Star Markets, Bristol Farms, bigg's, Hornbacher's, and Sunflower Market banners. It offers various food and non-food products, including groceries, meats, dairy products, frozen foods, deli, bakery, fresh fruits and vegetables, health and beauty aids, general merchandise, seasonal items, and tobacco products. The company also provides prescription drugs, a section of cosmetics and general merchandise, service seafood and meat, service delicatessen, liquor, floral, and in-store banks. In addition, it offers supply chain services, including distribution and related logistics and support services, such as warehouse management, transportation, procurement, contract manufacturing, and logistics engineering and management services. The company provides these services to single and multiple grocery store independent operators, regional and national chains, mass merchants, and the military.

2002	Closing Price	2003	Closing Price	2004	Closing Price	2005	Closing Price	2006	Closing Price	2007	Closing Price
January	28.75	January	21.50	January	23.36	January	22.88	January	25.15	January	37.98
February	30.26	February	18.83	February	24.74	February	22.39	February	25.44	February	36.96
March	33.14	March	18.85	March	22.15	March	20.65	March	25.67	March	39.07
April	33.54	April	19.86	April	23.36	April	19.79	April	25.33	April	45.90
May	35.17	May	20.87	May	23.43	May	20.99	May	25.61	May	47.64
June	30.46	June	19.20	June	26.54	June	20.68	June	30.70	June	46.32
July	28.18	July	18.86	July	24.39	July	21.31	July	27.11	July	41.67
August	25.72	August	21.02	August	24.58	August	20.13	August	28.56		
September	24.16	September	20.57	September	23.93	September	25.65	September	29.65		
October	22.31	October	20.29	October	22.81	October	25.11	October	33.40		
November	23.34	November	21.28	November	25.30	November	23.50	November	34.26		
December	22.26	December	22.65	December	23.88	December	21.35	December	35.75		

The closing price on August 9, 2007 was \$40.53.

¹ As a result of the merger between SUPERVALU INC. (NYSE ticker "SVU") and Albertson's, Inc., (NYSE ticker "ABS") effective June 2, 2006, SUPERVALU INC. replaced Albertson's as an underlying security of the Retail HOLDERS. The closing prices prior to June 2, 2006 reflect those of Albertson's Inc.

TARGET CORPORATION (TGT)

Target Corporation engages in the operation of general merchandise and food discount stores in the United States. It offers an assortment of general merchandise, including consumables and commodities; electronics, entertainment, sporting goods, and toys; apparel and accessories; and home furnishings and decor; as well as a line of food items. The company operates its stores under Target and SuperTarget brands. It also serves its customers through online. The company distributes its products through a network of distribution centers and import warehouses.

2002	Closing Price	2003	Closing Price	2004	Closing Price	2005	Closing Price	2006	Closing Price	2007	Closing Price
January	44.41	January	28.21	January	37.96	January	50.77	January	54.75	January	61.36
February	41.90	February	28.65	February	43.96	February	50.82	February	54.40	February	61.53
March	43.12	March	29.26	March	45.04	March	50.02	March	52.01	March	59.26
April	43.65	April	33.44	April	43.37	April	46.41	April	53.10	April	59.37
May	41.45	May	36.63	May	44.70	May	53.70	May	48.92	May	62.43
June	38.10	June	37.84	June	42.47	June	54.41	June	48.87	June	63.60
July	33.35	July	38.32	July	43.60	July	58.75	July	45.92	July	60.57
August	34.20	August	40.60	August	44.58	August	53.75	August	48.39		
September	29.52	September	37.63	September	45.25	September	51.93	September	55.25		
October	30.12	October	39.74	October	50.02	October	55.69	October	59.18		
November	34.78	November	38.72	November	51.22	November	53.51	November	58.09		
December	30.00	December	38.40	December	51.93	December	54.97	December	57.05		

The closing price on August 9, 2007 was \$62.52.

THE TJX COMPANIES, INC. (TJX)

The TJX Companies, Inc. operates as an off-price retailer of apparel and home fashions in the United States and internationally. The company sells family apparel and home fashions through its T.J. Maxx, Marshalls, and A.J. Wright retail chains in the United States; Winners chain in Canada; and T.K. Maxx chain in the United Kingdom. It sells family apparel and home fashions through its HomeGoods chain in the United States, as well as through HomeSense chain, operated by Winners in Canada. TJX Companies also operates Bob's Stores, which is an apparel chain in the northeastern United States. The company also provides home fashions, such as giftware, home basics, accent furniture, lamps, rugs, accessories, children's furniture, and seasonal merchandise for the home.

2002	Closing Price	2003	Closing Price	2004	Closing Price	2005	Closing Price	2006	Closing Price	2007	Closing Price
January	20.67	January	18.36	January	22.99	January	25.04	January	25.53	January	29.57
February	18.99	February	16.07	February	23.55	February	24.42	February	24.49	February	27.50
March	20.01	March	17.60	March	24.56	March	24.63	March	24.82	March	26.96
April	21.79	April	19.25	April	24.57	April	22.65	April	24.13	April	27.89
May	21.09	May	18.20	May	24.91	May	22.93	May	23.71	May	27.97
June	19.61	June	18.84	June	24.14	June	24.35	June	22.86	June	27.50
July	17.73	July	19.45	July	23.47	July	23.51	July	24.37	July	27.75
August	19.78	August	21.66	August	21.16	August	20.91	August	26.75		
September	17.00	September	19.42	September	22.04	September	20.48	September	28.03		
October	20.52	October	20.99	October	23.98	October	21.53	October	28.95		
November	19.57	November	22.59	November	23.54	November	22.41	November	27.42		
December	19.52	December	22.05	December	25.13	December	23.23	December	28.52		

The closing price on August 9, 2007 was \$27.00.

WAL-MART STORES, INC. (WMT)

Wal-Mart Stores, Inc. operates retail stores in various formats worldwide. It operates through three segments: Wal-Mart Stores, Sam's Club, and International. The Wal-Mart Stores segment includes supercenters, discount stores, and neighborhood markets in the United States, as well as walmart.com. The Sam's Club segment includes the warehouse membership clubs in the United States, as well as samsclub.com. The International segment includes various formats of retail stores and restaurants, including discount stores, supercenters, and Sam's Clubs that operate in Argentina, Brazil, Canada, the People's Republic of China, Costa Rica, El Salvador, Guatemala, Honduras, Japan, Mexico, Nicaragua, Puerto Rico, and the United Kingdom.

2002	Closing Price	2003	Closing Price	2004	Closing Price	2005	Closing Price	2006	Closing Price	2007	Closing Price
January	59.98	January	47.80	January	53.85	January	52.40	January	46.11	January	47.69
February	62.01	February	48.06	February	59.56	February	51.61	February	45.36	February	48.31
March	61.30	March	52.03	March	59.69	March	50.11	March	47.24	March	46.95
April	55.86	April	56.32	April	57.00	April	47.14	April	45.03	April	47.92
May	54.10	May	52.61	May	55.73	May	47.23	May	48.45	May	47.60
June	55.01	June	53.67	June	52.76	June	48.20	June	48.17	June	48.11
July	49.18	July	55.91	July	53.01	July	49.35	July	44.50	July	45.95
August	53.48	August	59.17	August	52.67	August	44.96	August	44.72		
September	49.24	September	55.85	September	53.20	September	43.82	September	49.32		
October	53.55	October	58.95	October	53.92	October	47.31	October	49.28		
November	53.90	November	55.64	November	52.06	November	48.56	November	46.10		
December	50.51	December	53.05	December	52.82	December	46.80	December	46.18		

The closing price on August 9, 2007 was \$46.45.

WALGREEN CO. (WAG)

Walgreen Co. operates a chain of drugstores in the United States. These drugstores sell prescription and non-prescription drugs, and general merchandise. General merchandise includes beauty care, personal care, household items, candy, photofinishing, greeting cards, seasonal items, and convenience food. The company provides its services through drugstore counters, as well as through the mail, by telephone, and on the Internet.

2002	Closing Price	2003	Closing Price	2004	Closing Price	2005	Closing Price	2006	Closing Price	2007	Closing Price
January	36.28	January	29.00	January	34.55	January	42.61	January	43.28	January	45.30
February	40.24	February	28.14	February	35.66	February	42.83	February	44.86	February	44.70
March	39.19	March	29.48	March	32.95	March	44.42	March	43.13	March	45.89
April	37.77	April	30.86	April	34.48	April	43.06	April	41.93	April	43.90
May	38.26	May	30.79	May	35.01	May	45.34	May	40.60	May	45.13
June	38.63	June	30.10	June	36.21	June	45.99	June	44.84	June	43.54
July	35.33	July	29.92	July	36.40	July	47.86	July	46.78	July	44.18
August	34.75	August	32.57	August	36.45	August	46.33	August	49.46		
September	30.76	September	30.64	September	35.83	September	43.45	September	44.39		
October	33.75	October	34.82	October	35.89	October	45.43	October	43.68		
November	28.79	November	36.81	November	38.18	November	45.68	November	40.49		
December	29.19	December	36.38	December	38.37	December	44.26	December	45.89		

The closing price on August 9, 2007 was \$47.14.



1,000,000,000 Depositary Receipts

Retail HOLDERSSM Trust

PROSPECTUS

August 14, 2007

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 14. Indemnification of Directors and Officers.

Section 145 of the General Corporation Law of the State of Delaware, as amended, provides that under certain circumstances a corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such person is or was a director, officer, employee or agent of the corporation or is or was serving at its request in such capacity in another corporation or business association, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe such person's conduct was unlawful.

Article XIV, Section 2 of the Restated Certificate of Incorporation of Merrill Lynch, Pierce, Fenner & Smith Incorporated provides in effect that, subject to certain limited exceptions, Merrill Lynch, Pierce, Fenner & Smith Incorporated shall indemnify its directors and officers to the full extent authorized or permitted by law.

The directors and officers of Merrill Lynch, Pierce, Fenner & Smith Incorporated are insured under policies of insurance maintained by Merrill Lynch, Pierce, Fenner & Smith Incorporated, subject to the limits of the policies, against certain losses arising from any claim made against them by reason of being or having been such directors or officers. In addition, Merrill Lynch, Pierce, Fenner & Smith Incorporated has entered into contracts with all of its directors providing for indemnification of such persons by Merrill Lynch, Pierce, Fenner & Smith Incorporated to the full extent authorized or permitted by law, subject to certain limited exceptions.

Item 16. Exhibits.

See Exhibit Index.

Item 17. Undertakings.

The undersigned Registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933.

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of the prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement.

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(5) For purposes of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(6) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to Item 15 of this registration statement, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant hereby certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-1 and has duly caused this Post-Effective Amendment No. 8 to the Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of New York, on August 14, 2007.

**MERRILL LYNCH, PIERCE, FENNER & SMITH
INCORPORATED**

By: _____ *

Name: Joseph F. Regan
Title: First Vice President, Chief Financial Officer and
Controller

Pursuant to the requirements of the Securities Act of 1933, this Post-Effective Amendment No. 8 to the Registration Statement has been signed by the following persons in the capacities indicated below on August 14, 2007.

<u>Signature</u>	<u>Title</u>
_____ * Robert J. McCann	Chief Executive Officer, Chairman of the Board
_____ * Carlos M. Morales	Director and Senior Vice President
_____ * Candace E. Browning	Director and Senior Vice President
_____ * Gregory J. Fleming	Director and Executive Vice President
_____ * Joseph F. Regan	First Vice President, Chief Financial Officer and Controller
*By: _____ /s/ Mitchell M. Cox Mitchell M. Cox	Attorney-in-Fact

INDEX TO EXHIBITS

Exhibits

- *4.1 Standard Terms for Depositary Trust Agreements between Merrill Lynch, Pierce, Fenner & Smith Incorporated and The Bank of New York, as Trustee dated as of September 2, 1999, and exhibits thereto, form of Depositary Trust Agreement, form of HOLDRS and form of Amendment No. 2 to the Standard Terms for Depositary Trust Agreements, filed on February 13, 2001 as part of the registration statement filed on form S-1 for Retail HOLDRS.
- *5.1 Opinion of Shearman & Sterling LLP regarding the validity of the Retail HOLDRS receipts, filed on February 9, 2001 as part of the registration statement filed on form S-1 for Retail HOLDRS.
- *8.1 Opinion of Shearman & Sterling LLP, as special U.S. tax counsel regarding the material federal income tax consequences, filed on February 9, 2001 Amendment No. 1 to the registration statement filed on form S-1 for Retail HOLDRS.
- *8.2 Opinion of Shearman & Sterling LLP, as special U.S. tax counsel regarding the material federal income tax consequences, filed on July 9, 2003 Amendment No. 5 to the registration statement filed on form S-1 for Retail HOLDRS.
- *24.1 Power of Attorney (included in Part II of Registration Statement), filed on January 30, 2001 as part of the registration statement filed on form S-1 for Retail HOLDRS.
- *24.2 Power of Attorney of John J. Fosina, George A. Schieren, E. Stanley O'Neal, Thomas H. Patrick and Dominic A. Carone.
- *24.3 Power of Attorney of James P. Gorman, Arshad R. Zakaria and Carlos M. Morales.
- *24.4 Power of Attorney of Candace E. Browning, Gregory J. Fleming, Do Woo Kim and Joseph F. Regan.
- *24.5 Power of Attorney of Robert J. McCann and Joseph F. Regan

* Previously filed